

# The ORIENTAL ECONOMIST

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Sohyo's New Action

Orientation of Farming

No Meddling with Prices

U.S. Shutout to Japanese Goods

Start of Constitution Study Body

A Cross Section of Japanese Economy

Raw Materials for Iron & Steel

New 5-Year Economic Plan

Industrial Concentration

Pelagic Fishery





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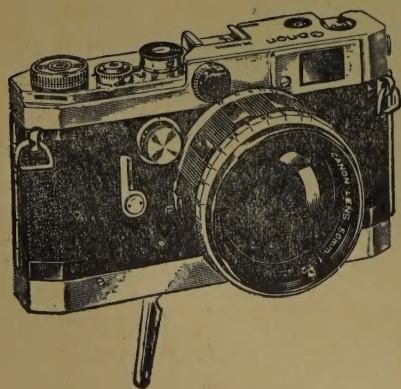
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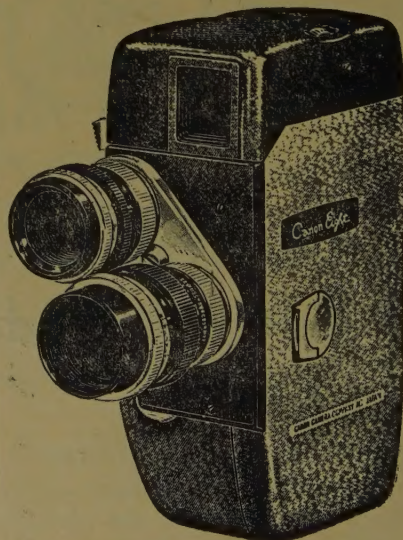
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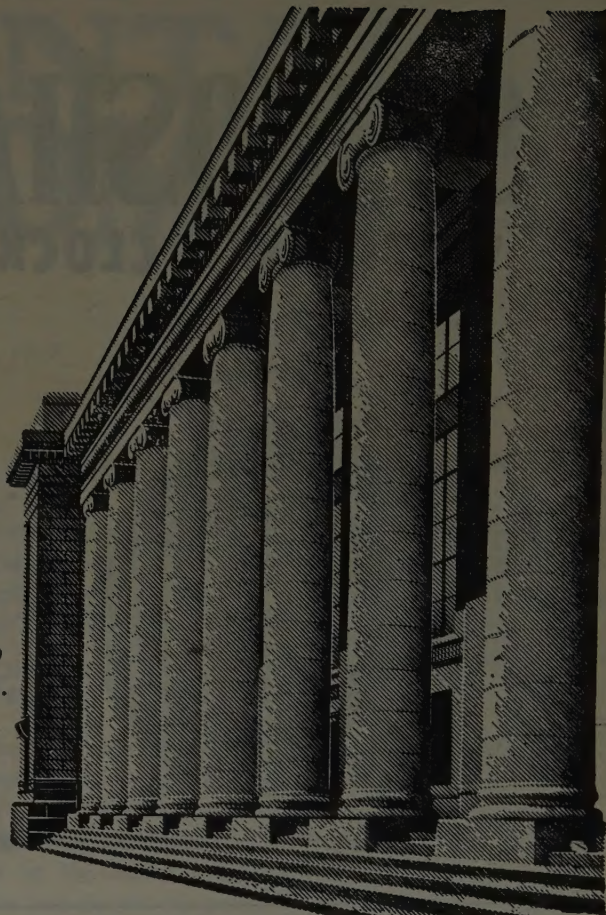
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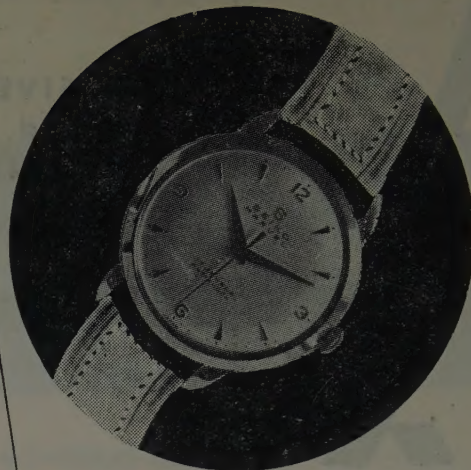
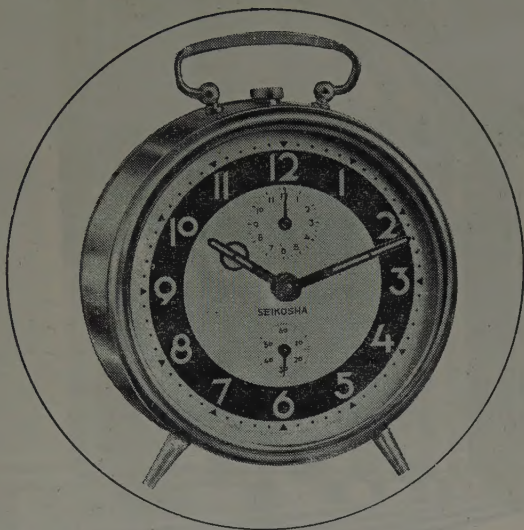


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## Review of the Month

THE Constitution Study Council made a formal start through the election of its president and two vice-presidents and the adoption of its standing rules at the first general meeting held at the Prime Minister's residence on August 13 and 14. The official

debut of the Council took place about a year and two months after the Constitution Study Council Bill had been approved at the 24th extraordinary session of the National Diet. Principally responsible for the unexpected delay was the rejection by the Socialist Party and some scholars opposing the constitutional revision to join the Council. As Prime Minister Nobusuke Kishi stressed at the opening session, the Government had endeavored to the last to get all political parties and all strata of society represented in the Council on the principle that all researches and scrutinies into the Constitution should be conducted on supra-party basis and through exhaustive consultations with circles concerned. The participation of the Socialist Party, however, was not obtained, and the Council had to make a belated start with the "expectation that the Socialist Party would take part in the Council later." Thus, the Council has started with the membership of 39 including 18 Diet members from the Liberal-Democratic Party, two Upper House members from Ryofukai, and 19 scholars well versed in constitutional problems (one vacancy), leaving the 10 seats allotted to the Socialist Party yet to be filled. Through the election by mutual vote, Mr. Kenzo Takayanagi (professor emeritus of Tokyo University) was named President, and Mr. Iwao Yamazaki (Lower House member) and Mr. Teiji Yabe (president of Takushoku University) were respectively named vice-presidents. It appears that all the members of the Council so far named are in favor of a constitutional revision.

The Constitution Study Council is assigned with the task of reporting to the Cabinet and to the National Diet through the Cabinet on the results of its studies and deliberations. The most controversial point in the course of discussions held at the meeting of the standing rules drafting committee and at the general meeting was pivoted on a clause in Article 3 providing that the decisions in the proceedings would be made by majority. The Councillors finally decided to leave Clause 2 (providing for the decisions by majority in all proceedings) intact but to add Clause 3 providing that, in making the final report on its researches without the unanimous approval of all Councillors, opinions of respective members, pro and con, may be submitted without restrictions. To prepare for getting the opinions of different members in shape in the final stage, the standing rules carry an agreement that the procedure for the decision based on the col-

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lection of various views through researches shall be referred to the general meeting after the scrutiny by the steering committee. With the fear of the decision on the final report by majority thus removed, will the Socialists eventually agree to join the Council? There is no such possibility. On the day when the Constitution Study Council met for the first time on August 13, the Socialist Party issued a statement that the Council should be abolished. It thus appears difficult that the Socialists will be persuaded into the Council despite the earnest request of the Government and the Council members. In its statement, the Socialist Party asserted that the hastened start of the Constitution Study Council with the members favoring the constitutional revision marked the first step of Japan towards serving as a link of the United States' new atomic warfare structure based on the Eisenhower-Kishi joint declaration and signified the retrogressive revision of the Constitution and the increasing chances of the dispatch of Japanese "troops" abroad, and that the Council working for such ends, therefore, should be abolished.

In fact, however, any constitutional revision plan drafted by the Constitution Study Council has no possibility of realization through the Diet approval as long as the Socialist Party, occupying more than a third of the seats in both Houses, remains opposed. For all that, it cannot be said that the studies to be made by the Council will be meaningless. Sessions of the Council, to be opened to the public in principle, will give necessary data to the Japanese people to scrutinize the present Constitution and enhance their interest in the constitutional problems. The constitutional revision is a project due to take a long time and to be carried out through the actual awakening of the people to the need of the reform.

THE draft of a new five-year economic plan (starting in fiscal 1958 and ending in fiscal 1962) has been completed. The draft economic plan under review is an interim report made by the Economic Council

which at the request of the Government has been making exhaustive studies of the adequate growth rate of the national economy for the stable economic development of the nation under the new economic situation resulting from drastic transmutations in the past year. The Economic Council is scheduled to make detailed studies of different economic phases (production, foreign trade, etc.) of the nation before it completes the drafting of the final five-year plan in October, this year.

The new five-year economic plan envisages the need of expanding the nation's economic scale at the annual growth rate of 6.5 percent to give employment opportunities to the estimated 4,900,000 gain in people of productive ages in the five years, 1958 through 1962 while maintaining the balance of international accounts. At this growth rate, national income in the target year of fiscal 1962 will reach

¥10,772,000 million, the scales of exports and imports will swell to \$4,437 million and \$4,075 million, respectively, and the balance of international payments (inclusive of invisibles) will stand in the black to the amount of \$200 million. With the growth rate of 6.5 percent on the basis of the base year of 1956, the Japanese national economy in fiscal 1962 will give the following picture:

PROSPECTIVE GROWTH OF ECONOMIC YARDSTICKS  
(In ¥100 million)

	*Fiscal 1956	Fiscal 1962	Annual growth (%)
Gross National Product.....	92,270 (89,381)	130,416	5.85 6.5
National income .....	76,550 (73,829)	107,727	5.9 6.5
Primary industry.....	15,124 (14,700)	17,533	2.5 (3.0)
Secondary industry.....	32,638 (30,977)	47,015	6.3 (7.2)
Tertiary industry .....	29,088 (28,447)	43,532	6.9 (7.4)
Individual consumer spending....	53,860	78,246	6.4
Plant-equipment investments ....	20,990	27,779	4.8
Production index (1956=100) ....	100	160.6	8.2
Energy supply (7,000 kilo-calories: equivalent to 1,000 tons of coal)	107,452	146,214	5.2
Domestic carloadings (100 million metric tons) .....	905	1,140	3.9
Passenger transportation (100 million passenger-kms.) ..	1,646	2,320	4.9
International accounts** (million dollars):			
Receipts .....	3,225	5,125.3	8.0
Exports .....	2,402	4,437.1	10.8
Payments .....	2,931	4,925.3	9.0
Imports .....	2,470	4,075.2	6.6
Balance .....	293	200.0	
Employment (1,000)** .....	17,860	22,860	(Gain-4,893)

Notes: \* Actual results for fiscal 1956: parenthesized figures denote base figures and growth rates based thereon (base figures are the figures properly adjusted with abnormal growth in fiscal 1956 taken into full account). \*\* calendar year. Primary industry... agriculture, forestry, fishery; Secondary industry... mining, manufacturing and affiliated branches; Tertiary industry... service professions, etc.

Source: Economic Council and Economic Planning Board.

The adequacy of the 6.5% growth rate as shown in the Economic Council's plan is still problematic. Taking into account the belated restart of industrial development after the war and the rise of surplus labor due to the abolition of armaments, the 6.5% growth rate is considered too low. In this connection special note should be taken of the high 9.0% annual growth rate of gross national product during the five years, 1951 through 1955, though it should also be noted that the period under review marked a phenomenal development of Japanese industry with the Korean outbreak as a major spur. During this period, Japan was enabled to get bulky foreign currency accumulations to take care of increasing imports. For all that, the 6.5% growth rate is still too conservative.

THE national convention of Sohyo (General Council of Japanese Trade Unions) was held in Tokyo for four days from August 3 through 6. Sohyo is the largest federation of trade unions in Japan comprising the majority of unionized workers in this country (3,200,000 members, of which about 70 percent are governmental or public workers). Hence, it is not too much to say that the campaign policies

SOHYO'S NEW  
ACTION



approved at its annual convention have the weight of swaying the trends of the labor movement in this country.

Major items in the action program adopted at the four-day national convention were: 1) Opposition to the productivity expansion movement; 2) Higher wages; 3) Legalization of the minimum (¥8,000) wage system; 4) Opposition to unreasonable punishments; 5) Support to the Socialist Party; 5) A unified struggle by different branches. Debates at the convention were focussed on the two key issues—the solo struggle by the Niigata chapter of the National Railways Workers Union and the tactics for the forthcoming autumn labor struggle. On the first problem, opinions at the convention were divided between Sohyo's executive committee, which approved the attitude of the headquarters of the National Railways Workers Union in ordering the Niigata chapter to stop the solo struggle, and the anti-executive faction favoring such regional struggles, but the verdict of the executive committee was finally approved. The new decision reached by Sohyo on the Niigata regional struggle has an important bearing on the future course of its campaign policy, as it means the approval of the adoption of a united front based on coordinated struggles by industrial branches instead of a regional struggle formula. For the October wage struggle, Sohyo decided to propel a strong action program based on the opposition to punishments to the National Railways workers, wage raises and the minimum wage system. In resorting to action in the course of the October struggle, unions with the right to strike will go on strike while other unions without the right to strike will conduct workshop rallies during office hours (virtually strikes).

In the political campaign policy, Sohyo remained on the line to support the Socialist Party. The Japan Federation of Taxation Office Employees Unions submitted a revision plan favoring the support to the Communist Party in addition to the Socialist Party against the original plan of the executive committee to support the Socialists alone, but the revision plan was defeated by 180 votes to 30. Thus, in its relations with political parties, Sohyo clarified its attitude to support the Socialist Party but not to aid the Communist Party, although struggles may be carried out jointly with Communists. It is generally opined that the present national convention was rather low-pitched, and this opinion is justifiable as far as it refers to the lack of particularly stormy debates. The current convention was rather calm, it is true, as the elements supporting the executives were overwhelmingly strong enough to defy any troubles over the personnel problem, and also as the majority of attending unionists were afraid of the possible public criticism against Sohyo's excesses. In the new action program and the declaration adopted at the convention, the extreme leftist inclination and the "struggle first" principle were not in the least moderated, but the progress of proceedings at the convention was marked by actions and speeches well indicative of reflection on past extremes. It appears that the lesson of the latest strike by the National Railway Workers Unions

enabled Sohyo to become thoroughly conscious of the mistake of taking an easygoing view that the Government would eventually concede and public opinion would ultimately come to its support. We see the steadily changing trends of Japanese labor struggles in the present state of the Japan Electric Industry Workers Union which once served as the beachhead of Japan's labor offensive by resorting to a nationwide blackout strategy. Any excesses of trade unions will be countered by public opinion and the Government, supported by public opinion, will be enabled to take a strong labor policy. There is no victory for labor against public opinion. The traditional traits of the Japanese love and respect moderation. The rejection of the support for the Communist Party by an overwhelming majority and the approval of the "low posture" struggle formula as the basis of the action program eloquently indicate that the majority of Sohyo's member unions are opposed to any radical struggle policy.

THE movement to curtail imports from Japan has become rampant again in the United States. Among Japanese products taken up for the current movement are metal tableware, umbrella frames, clinical thermometers, veneer board, bolt nuts, woollen goods and paper hats. As

#### U.S. SHUTOUT TO JAPANESE GOODS

was the case with textile goods boycotted last year, all these items are sundry goods manufactured by small industries in this country. Japan must export in order to import. What Japan may export to the United States are generally confined to the products by handicraft. In other words, the majority of Japanese handicraft products are marketable only in the United States. Unless Japan can sell these goods to the United States, Japan is bound to suffer from the shortage of import funds and will be compelled to restrict imports. This is certainly a big blow to the Japanese economy depending much on foreign trade.

Japan buys from the U.S. double as much as it sells to that country as indicated by trade between the two countries in 1956 which registered Japanese imports at about \$1,000 million and exports at \$500 million. The United States is predominantly rich enough to fare well without restricting imports from other countries. If, therefore, the United States is really desirous of promoting world economy, she should be magnanimous enough to open her market wide for purchases from overseas in order to put an end to the world-wide dollar shortage. World economic prosperity is a key to world peace.

Japan, on her part, is also called upon to reflect in many respects. Successive movements against Japanese goods in the United States, partly due to the extremely low prices of Japanese export products, are also attributable to the intensified increase of shipments once the sales of designated products prove favorable. In this connection, Japanese industrialists and exporters are urged to endeavor to diversify the variety of export products and also to judiciously regulate shipments on an orderly basis.



## Business Indicators

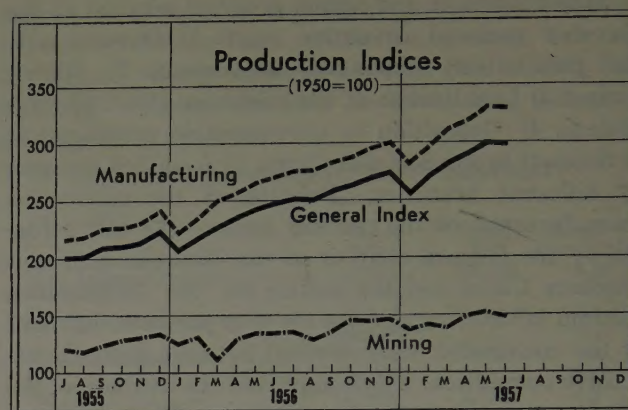
**Production:**—Deflationary developments resulting from the tight money policy have come to affect production at last, as the overall production index in June dropped to 298.5 (based on 1950 as 100), down 0.9% from the May equivalent at 301.2. Of major losers, coal and petroleum products topped the list with the recession of 11.2% from May under the impact of the weakening market, mounting inventories and the increasing signs of overproduction. Also on the retreat were hides and leathers (down 7.0%) ceramics (down 3.8%) and mining (3.2%). Iron and steel also dived 2.7% as the market began to soften with the exit of supply shortages. Of chemical products, fertilizers registered the widest decrease of about 12.0% following the close of a round of spring fertilizers purchasing operations and power supply shortages. Carbide, calcium cyanamide, ammonium sulphate and urea receded in unison. Other losers were non-ferrous metals, paper and pulp, rubber goods, and daily necessities, well indicative of the intensified signs of overproduction. On the other hand, machinery and textiles kept on increasing. Machinery manufacturers continued to be kept busy taking care of bulky backlogs while seasonal stimulants accounted for the unabated pace of the march of textiles. Hence, a production curtailment is expected likely to start for textiles while manufacturers of iron and steel and automobiles have already begun reducing outputs.

### 1. JUNE PRODUCTION INDICES (1950=100)

	May, 1957	June, 1957	Against May, 1957	Against June, 1956
Mining-Manufacturing .....	301.2	298.5	99.1	120.9
Mining .....	152.2	147.4	96.8	109.4
Manufacturing .....	331.9	329.6	99.3	122.1
Iron & Steel .....	288.7	281.0	97.3	120.3
Non-Ferrous Metals .....	246.8	242.1	98.1	119.0
Machinery .....	445.4	452.4	101.6	155.1
Steel Ships .....	720.3	720.3	100.0	115.5
Rolling Stocks .....	153.1	153.1	100.0	98.3
Textiles .....	352.1	356.7	101.3	118.2
Paper & Pulp .....	344.5	340.3	98.8	119.2
Chemicals .....	312.3	306.8	98.3	120.7
Pharmaceuticals .....	1,059.7	1,059.7	100.0	101.3
Oil Products .....	644.4	572.4	88.8	123.9
Ceramics .....	272.6	262.2	96.2	124.4
Rubber Goods .....	234.1	229.5	98.0	133.0
Leather Goods .....	310.5	288.7	93.0	105.2
Daily Necessaries .....	260.5	250.6	96.2	110.8
Lumber .....	186.2	186.2	100.0	116.6
Foodstuffs .....	232.8	226.4	97.3	106.3
Tobacco .....	146.7	143.4	97.8	101.9

Source: MITI.

**Prices:**—Deflationary repercussions manifested themselves first in the phase of wholesale prices. According to the weekly wholesale price survey of the Economic Planning Board, the wholesale prices, on the downgrade since April, registered a total decline of 5.1% in the total average by July. The slump was most noteworthy for metals which lost 14.7%



undoubtedly in reaction to a long spell of excessive advances until late September, 1956 on the strength of mounting demands by shipbuilding, construction and machinery. The recession in demand because of tight money measures and the rising impact of imported steel products combined to compel the overall slip of metals prices. Equally wide were the falls of foodstuffs (down 8.7%) and textiles (down 5.2%) chiefly due to seasonal deterrents for the former and the impact of overproduction for the latter. In the interim, however, fuels, building materials and sundries (paper, pulp, rubber, hides and leathers) remained strong, although they have begun to show signs of weakening in recent weeks. Whether the wholesale prices will continue weakening further depends on the prospective two developments—the progress of tight money measures and the transition of inventories. With the tight money policy certain to remain in effect for the time being, however, the movement of inventories is destined to hold the key to the future wholesale price fluctuations.

### 2. WHOLESALE PRICE INDICES (June, 1950=100)

	July, 1956	March, 1957	July, 1957	Against March, 1957	Against July, 1956
Total Average .....	161.0	174.6	165.7	94.9	102.9
Foodstuffs .....	136.1	164.8	150.4	91.3	110.5
Textiles .....	94.8	89.2	84.6	94.8	89.2
Fuels .....	163.7	174.2	181.8	104.4	111.1
Metals .....	294.2	307.4	262.2	85.3	89.1
Machinery .....	184.9	200.6	199.9	99.7	108.1
Building Materials ....	216.2	248.6	252.2	101.4	116.7
Chemicals .....	105.8	108.9	108.6	99.7	102.8
Sundries .....	133.9	137.7	140.2	101.8	104.7
Producer Goods .....	178.3	186.8	178.7	95.7	100.2
Consumer Goods .....	130.4	152.8	142.5	93.3	109.3
Investment Goods ....	256.4	276.5	254.0	91.9	99.1

Note: As of mid-month.

Source: Economic Planning Board.

**Inventories:**—Manufacturers' inventories failed to make any tangible increase throughout 1956 as consumption in general outstripped production. After the turn of the year into 1957, however, the increasing tempo of inventories became notably accentuated, particularly after the inauguration of the tight money



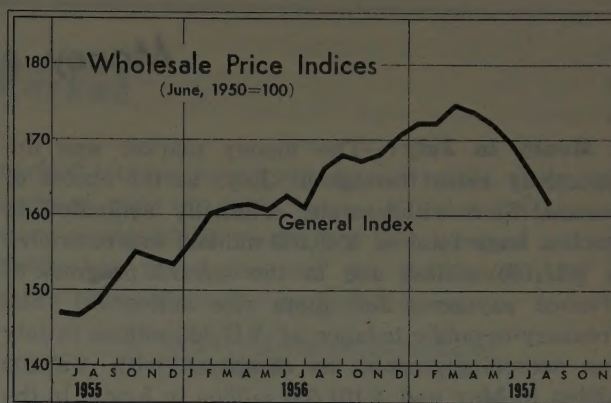
policy which served to squeeze demands. According to the Ministry of International Trade & Industry, manufacturers' inventories as of June, 1957 stood 19.3% higher than the May equivalent and 32.4% higher than a year ago. The sharpest gain marked textiles which swelled 64.0% over a year ago. Other major gainers were coal and petroleum products (up 56.1%) and machinery (up 48.9%). Non-ferrous metals and rubber goods increased by more than 30% while iron and steel products forged ahead by about 20%. Merchants' inventories, which began to show signs of increasing from 1956, failed to mark particularly sizable gains as restocking operations have been squeezed and stocks in hands have been adequately adjusted after the application of the tight money policy. Yet, the June-end balance of inventories in the iron-steel sector stood 56.4% larger than a year ago. More noteworthy was the march of inventories of raw and processed materials. Of this group, stocks of imported raw and processed materials at the end of June were 58.1% larger than a year before. Hence, the index of inventory rates swelled 29.3%, coming as a fresh pressure on prices. Relative to the imports of raw and processed materials, two different figures were supplied by official sources. The Economic Planning Board places the imports of such materials in the first six months of 1957 at \$280,000,000 (enough for 1.8 months) while the Ministry of International Trade & Industry sets the figure at \$490,000,000 (enough for 3 months). Whichever the case, there is no denying that stocks of raw and processed materials have been mounting at an unexpectedly speedy pace.

### 3. INDICES OF MANUFACTURERS' INVENTORIES (1950 average=100)

	May, 1957	June, 1957	Against May, 1957	Against June, 1956
Mining-Manufacturing .....	162.4	179.1	110.3	132.4
Mining .....	53.2	47.3	98.9	81.0
Manufacturing .....	176.2	195.8	101.1	134.9
Iron & Steel .....	176.9	193.5	109.4	119.4
Non-ferrous Metals .....	102.5	103.1	100.6	133.7
Machinery .....	185.9	198.6	106.8	148.9
Textiles .....	170.7	194.7	114.1	164.0
Paper, Pulp .....	235.3	261.9	111.3	86.8
Chemicals .....	239.2	285.4	119.3	121.2
Petroleum, Coal Products ..	327.9	246.0	107.9	156.1
Ceramics .....	135.7	147.9	109.0	102.9
Rubber Goods .....	253.1	279.0	110.2	130.9
Hides, Leathers .....	112.4	127.5	113.4	111.0
Others .....	116.8	112.1	96.0	122.6

Source: MITI.

**Consumer Demand:**—Since the start of the tight money policy, demands have been squeezed chiefly in the inventory investment phase in order to properly adjust inventories held. Restrictions have also been placed on equipment investments through the deferment of equipment programs. In key industries such as electric power and iron and steel, major equipment investment programs have either been deferred partially or dwarfed in scale. Despite the general standstill of investment demands for inventories and equipments, however, consumer demand has been



progressing smoothly. For instance, department store sales throughout the country in May reached ¥21,200 million, up some 20.2% over a year ago, according to the Ministry of International Trade & Industry. Department stores in the Tokyo metropolitan area continued to fare well in June through July, with the July sales exceeding the like sales a year ago by 24.7%.

**Living Cost:**—With consumer demand advancing smoothly, the consumer prices failed to make any decline until May despite the slip of the wholesale prices, but dropped marginally by only 0.2% in June. Responsible for the June consumer price dive was the drop of foodstuff (except for staple food) and clothing expenses. Whether the cost of living may continue to weaken, however, is problematic, as the housing expense will continue to stiffen to regain the past delay to counterbalance the decline of other expenses. For all that, the possible weakening of the wholesale prices will come to be reflected upon the consumer prices sooner or later and the living expense will begin to follow suit.

### 4. DEPARTMENT STORE SALES

	1955		1956	
	¥100 million	Indices (A year ago as 100)	¥100 million	Indices (A year ago as 100)
October .....	173.7	100.4	208.8	120.2
November .....	195.3	112.4	235.2	120.4
December .....	410.2	111.6	525.7	128.2
January .....	145.8	113.6	172.3	118.2
February .....	145.3	120.4	176.0	121.1
March .....	203.1	117.2	260.0	127.9
April .....	196.2	118.0	239.0	121.8
May .....	176.2	119.2	212.0	120.2

Source: Compiled by *The Oriental Economist* from MITI figures.

### 5. TOKYO CONSUMER PRICE INDICES (1951=100)

	May, 1957	June, 1957	Against May, 1957	Against June, 1956
Total Average .....	121.8	121.6	99.8	102.3
Foodstuffs .....	117.4	116.9	99.6	20.20
Staple .....	123.2	124.4	101.0	102.5
Non-staple .....	114.4	113.0	99.8	101.7
Clothing .....	83.9	83.2	99.2	99.4
Light-Fuel .....	145.2	145.8	100.4	106.6
Housing .....	148.0	150.6	101.8	105.5
Miscellaneous .....	145.0	144.9	99.9	102.1

Source: Bureau of Statistics, Prime Minister's Office.



## Money and Banking

**Money in July:**—The money market was unexpectedly calm throughout July, as the excess of financial fund withdrawals, originally estimated to reach a huge total of ¥45,000 million, was restricted to ¥17,100 million due to the smooth progress of advance payments for quota rice deliveries. The Treasury-to-public balance at ¥17,100 million in July was exceedingly small as compared with ¥93,600 million in May and ¥104,600 million in June. In the movement of financial funds during July, the Foreign Exchange Account registered a bulky withdrawal excess of ¥30,500 million, far exceeding the similar excess of ¥9,700 million a year ago, while the Food Control Account recorded a large payment excess of ¥42,300 million in advance payments for quota rice deliveries, as compared with ¥29,900 million in July, 1956. As the withdrawal excess of financial funds was far smaller than originally expected, the amount of loans by the Bank of Japan failed to make any substantial increase with the month-end balance standing at ¥483,900 million, a gain of only ¥8,400 million over a month ago. Only once (on July 6) did the balance exceed the ¥500,000 million mark. Demands for industrial funds continued active to finance equipment investments and import settlements, but the Bank of Japan continued to hold its purse tightened and successfully prevented its loans from making a sizable gain.

**Dishonored Bills Up:**—Dishonored bills registered by the Tokyo Clearing House during July numbered 60,613 bills, a new monthly high, far exceeding the past peak of 59,840 bills registered in May and marking a sharp increase of 41% over a year ago. An outstanding feature of dishonored bills registered in recent months is the increase of such bills drawn by medium-size companies capitalized at over ¥10,000,000, apparently because these enterprises have been forced to bear the brunt of repercussions caused by bankruptcies of smaller businesses and the money shortage in key industries. Among major industries, iron-steel and textiles have been hardest hit. According to a survey by the Tokyo Credit Exchange, some 85 textile merchants each bearing debts in excess of ¥10,000,000 went bankrupt during July and the total debts they held aggregated ¥5,369 million, including the ¥2,500 million debt which forced Hibiya Shoten, a well-known textile merchant in Tokyo, to go bankrupt. This was the third largest amount of debts incurred by textile merchants after the war, the first being ¥9,170 million debts (including ¥7,500 million of Toyo Sen-i) in June, 1955, and the second ¥8,284 million debts (including ¥3,500 million of Iwata Shoji) in June, 1954.

**Loan Interest Raised:**—Close on the heels of the elevation of the official discount rate by the Bank of Japan on May 8, the maximum rate of in-

terest on city bank loans was raised by 0.2 *sen* per diem on May 13. In parallel, the interest rate on new short-term loans rose by 0.1 *sen* by the end of June. On the other hand, long-term money rates, such as interest rates on long-term loans and corporate bonds remained intact in conformity with the policy of the Ministry of Finance. Later, as the Government announced the emergency policy in an effort to restore the balance of international accounts on June 20, the need of raising long-term money rates came to be discussed. Thus, the issue terms of corporate debentures and other similar bonds, the interest rates on fixed deposits and the dividend rates on trust loans, and the interest rates on long-term loans by the Industrial Bank of Japan and the Long-Term Credit Bank were revised upward, effective as from July. Interest rates on time deposits for three months and six months were raised, respectively, to 4.3% per annum (from 4.0%) and 5.5% per annum (from 5.0%), although the interest rate on time deposits for a year was left unchanged at 6.0%. The issue terms of corporate bonds were also revised for the first time since July, 1956, as shown in Table 2 (applicable from the July issues). To cope with the elevation of long-term interest rates, the Trust Association also raised the dividend rate on trust loans (for 5-year items) from 7.3% to 7.8% per annum while that on 2-year items was similarly raised from 6.6% to 7.0% per annum. The interest rate on loans extended by the Industrial Bank of Japan and the Long-Term Credit Bank was also elevated by 0.1 *sen* per diem, applicable to new loans as from August 1, except for loans bound for electric power. Thus, it may be noted that interest rates on short- and long-term loans were raised in general during the three months from May through July.

### 1. MONEY IN JULY

(In ¥100 million)

	July, 1957	July, 1956
Note issue (June end).....	6,771	5,969
" (July end).....	6,636	5,975
Increase.....	△ 135	6
Financial funds (1).....	△ 171	4
Short-term bonds (2).....	6	△ 3
Bank of Japan Account (3).....	30	5
Loans.....	84	△ 4
(Balance).....	(4,899)	(626)
Short-term bonds.....	2	△ 8
Long-term government bonds.....	△ 1	△ 6
Private deposits.....	△ 32	2
Others.....	△ 23	21
(1) (2) (3).....	△ 135	6

△.....Decreases.

Sources: Compiled by *The Oriental Economist*.

### 2. REVISION OF ISSUE TERMS OF CORPORATE BONDS, ETC.

Item	Interest rate (%)	Issue Price	Terms (years)	Yields for subscriber (%)	Yield raise (%)
Corporate bonds.....	7.0 (7.0)	¥ 98.75 (¥100.00)	7 (7)	7.313 (7.042)	0.271
Local bonds.....	7.5	¥ 99.00 (¥100.00)	7 (7)	7.720 (7.300)	0.420
Banking bonds (1).....	7.0 (7.0)	¥ 97.75 (¥ 99.25)	5 (5)	7.621 (7.204)	0.417
" (2).....	6.21 (5.84)	¥100.00 (¥100.00)	1 (1)	6.643 (6.224)	0.419
Industrial bonds.....	7.5 (7.3)	¥ 98.00 (¥ 99.75)	7 (7)	7.944 (7.354)	0.590

Notes: Old terms given in parentheses: Of industrial bonds, the issue price of power bonds alone stands at ¥98.50 (subscriber's yield at 7.831%).

Source: Compiled by *The Oriental Economist*.



## Stock Market

**Bottom Hit:**—The Stock market apparently hit the bottom in early August. The Dow-Jones average of the 225 industrials slipped to ¥472.43 on July 25, a new low since May 16, 1956 and down ¥123.03 (20.66%) from the May (4th) high of ¥595.46. The average began to recover from that day and rallied to ¥505.33 on August 10, although the rebounding was limited in scale. Traders generally believe that the Dow-Jones average will not fall below the ¥500 mark again as the market sentiment has become comparatively stabilized. The dwindling volume of sales and the steady rise of selective buying for leading shares are well indicative of a favorable turn in the market undertone.

### 1. AVERAGE SHARE PRICES AND DAILY TURNOVERS

	Share Price (Yen)			Average Daily Turnovers (1,000 shares)
	High	Low	Average	
1956: September .....	492.92	483.70	487.24	12,127
October .....	508.98	487.15	496.19	19,996
November .....	556.58	512.94	532.76	39,673
December .....	566.30	542.91	554.92	28,163
1957: January .....	586.01	549.41	572.80	39,771
February .....	587.88	562.91	573.99	30,390
March .....	587.00	570.27	567.73	27,692
April .....	593.47	581.03	587.55	31,920
May .....	595.46	554.71	547.58	29,806
June .....	582.72	517.01	524.79	17,772
July .....	515.86	472.43	495.89	18,048
August .....	505.33	488.57	499.41	18,467

**Better Yields:**—Several stimulants have combined to work for the improvement of the market tone. Among them were the official forecast of a fair rice crop for the current year, the better balance of exports and imports in July and the apparent exit of the so-called "foreign currency crisis." Still more contributive to the market recovery, however, were the betterment in the yields of shares due chiefly to the sharp fall of share prices in these two months or so and the progress of active evening-up operations, which served to attract buying operations to gilt-edged stocks to the retreat of the bears. According to the Tokyo Securities Exchange, the average interest yield of the 225 pivotals stands at around 7.5 per cent. This may not be particularly attractive in view of the fact that the interest rate for corporate bonds was raised to 7.5 per cent and the yield to subscribers to 7.83 per cent by the Ministry of Finance starting with July issues. Taking into full account the future increase in dividend receipts and the prospective capital expansions, however, the average yield of 7.5% of the 225 leaders is a good spur to investors. According to The Oriental Economist's survey, the estimated yield of the 225 pivotals as of July 15 when the Dow-Jones average dived below the ¥500 mark stood at 8.88%, up 0.4% over 8.40% on May 20 and up 0.5% over 8.3% on June 17. It also stood about 1.0% higher than the

revised interest rate for corporate bonds. With the average yield at 8.8%, some of these 225 leaders were giving 9-10% yields, and the advance of the yields has paved the way for the steady rally of share prices since the start of August.

### 2. PROSPECTIVE CAPITAL INCREASES OF MAJOR SHARES\* AND SHARE YIELDS

	As of May 20	As of June 17	As of July 15
Prospective increases (in ¥100 million) ..	2,566	1,231	1,765
Share dividends .....	2,325	2,008	1,642
Non-share dividends .....	421	207	173
Ratios against capital (fold) .....	0.26	0.22	0.18
Share dividends .....	0.23	0.22	0.18
Non-share dividends .....	0.03	0.02	0.02
Average share prices (yen) .....	108	107	100
Flat prices .....	95	95	90
Average dividends in prospect (%) ....	14.1	13.8	13.7
Yields (%) .....	7.9	7.8	8.2
Number of dividend-giving companies in prospect .....	564	558	561
Average dividend rate in prospect (%) ..	13.8	14.7	14.8
Average share prices at Tokyo Securities Exchange (yen) .....	520.33	529.34	499.13

\* Listed with Tokyo Securities Exchange.

Source: Compiled by The Oriental Economist.

**Major Changes:**—The Dow-Jones average of the 225 industrials as of July 12 (when the bottom was hit) stood ¥123.03 (20.66%) lower than the like average on May 4 (when the peak was reached). The decline during the interim was overall for all the 22 industrial groups into which the 225 pivotals are classified. Of these groups, the heaviest loser was machinery which receded 32.14% while the loss was smallest at 6.01% for land transportation. The share price decline was chiefly attributable to the surprise elevation of the discount rate by the Bank of Japan on May 7, the exceptionally sharp rise of stock quotations since early January and the possible impact of the tight money measures adopted by the Government. Among heavy losers were machinery (iron-steel, non-ferrous metals processings inclusive) which dived 32.14%, transportation machinery (shipbuilding, automobiles, rolling stock, etc.) which lost 32.04%, primary metals (including machine tools, pistons, bearings, springs, etc. which slipped 28.58%, precision machines (timepieces, cameras, etc.) which dipped 24.83% and electric machines and tools which lost 24.17%. Mining also declined 21.68%. The slump for these groups came in reaction to heavy buying concentrated upon them as favorite objects for investments during the first half of the year. The 27.05% retreat of warehousing, too, was not due to any worsening in business showings, but came in reaction to a particularly swift advance in the past. On the other hand, deterioration in business showings accounted for the 30.42% loss of shipping and the 30.59% retreat of textiles. Commerce (trading houses and department stores) also receded 20.70% as the tight-money policy of the Government was generally



feared to affect its business results. Chemicals (fertilizers, soda, plastics, dyes, oils and fats, pharmaceuticals, paints, etc.) declined 25.14% in the wake of a rather excessive hike in the preceding few months, although the business deterioration was partly responsible for the decline of some fertilizer stocks. Real estate also receded sharply by 23.05% as leaders in this group like Heiwa Real Estate and Mitsubishi Real Estate would traditionally be subject to heavy fluctuations. Meanwhile, the Dow-Jones average on August 10 (when the first rally set in)

stood ¥32.90 from the July 25 low. Thus, the recovery during the period from July 25 to August 10 at ¥32.09 accounted for 26.01% of the loss of ¥123.03 registered during the period from May 4 to July 25. The new recovery marked all groups with the lone exception of land transportation which marginally dipped in the interim. Among the gainers from July 25 to August 10 were primary metals (up 13.96%), transportation (up 13.55%), machinery (up 11.13%), precision machines (up 11.71%), mining (up 11.63%) and electric machines and tools (up 7.49%).

### 3. SHARE PRICE MOVEMENT BY GROUP

	May 4 (yen)	July 25 (yen)	Aug. 10 (yen)	(A-B) (yen)	(%)	(C-B) (yen)	(%)
Average of 225 Pivots	595.46	472.43	505.33	123.03	20.66	32.90	6.95
Fisheries	163.46	140.69	151.13	24.06	14.57	10.53	7.48
Mining	443.61	314.29	350.86	128.32	21.81	36.57	11.63
Foodstuffs	1,270.00	896.00	929.33	131.00	12.57	33.33	3.70
Textiles	575.44	499.37	538.54	176.07	30.59	29.17	6.64
Paper, Pulp	715.10	592.71	638.02	122.39	17.11	45.31	7.64
Chemicals	391.62	293.16	312.41	98.46	25.14	19.25	6.16
Petroleum, Coal Products	1,613.56	1,315.25	1,450.00	98.31	18.48	135.63	10.31
Glass, Clay, Stone Products	972.63	772.88	870.06	199.75	20.53	97.18	12.57
Primary Metals	209.08	149.29	170.11	59.79	25.68	20.82	13.96
Machinery	341.85	232.10	257.95	109.75	32.14	25.85	11.13
Electric Machines, Tools	348.37	263.95	283.72	84.32	24.17	19.77	7.49
Transportation Machinery	346.06	235.41	267.33	110.91	32.04	31.92	13.55
Precision Machines	340.77	256.15	286.15	84.62	24.83	30.00	11.71
Other Manufacturing	479.83	413.73	435.95	66.10	13.76	22.22	5.37
Commerce	1,164.29	887.14	905.00	277.15	23.70	17.86	2.01
Banking, Insurance	606.12	577.55	533.67	28.57	4.71	6.12	1.05
Real Estate	1,578.69	1,214.75	1,240.98	363.94	23.05	26.23	2.15
Land Transportation	374.05	351.54	348.92	22.51	6.01	2.62	0.74
Ocean Shipping	287.40	197.87	210.57	89.43	30.42	13.07	6.17
Warehousing	942.50	677.50	757.00	265.00	27.05	79.50	10.25
Electricity, Gas	210.74	193.13	194.03	17.61	8.36	0.90	0.47
Service Professions	345.10	298.73	301.69	46.35	13.13	2.96	0.91

Source: Compiled by *The Oriental Economist*.



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# No Meddling with Prices

THE recent curbing of credit differs considerably from that of 1954 because, for one thing, the problem of rising prices is not involved to the same extent. But this is only on the surface, and it appears that there is a fairly strong undercurrent of opinion, among Government officials and some business leaders, advocating a lowering of the price level.

This is manifested by the attitude discernible among the members of the "Economic Cabinet", urging the establishment of a goal for price reduction, and by some business leaders who state that credit regulation should be undertaken only after setting a target-level for commodity prices.

This thinking when tied in with the credit policy leads inevitably toward price slashes through prompt clearance of excess inventories. Can it be that the authorities in charge of the credit policy are thinking in such forceful terms as they did in 1954?

It would be excusable if price level reduction were urged as a precautionary measure to prevent a general easing of the wariness that now prevails. But once prices get involved in the overall policy for credit regulation the effects can be of such major proportions that the matter cannot be let go uncontested.

The reason for urging reduction of the price level is the belief that Japanese prices tend to be disproportionately high as compared to the world level. Were Japanese prices really high, then export trade could not be expected to grow, and there would be no hope of improving the balance of payments. There is considerable doubt that our prices actually are higher than elsewhere.

According to the Bank of Japan's monthly survey of wholesale prices the commodity price index (based on the average for 1952), since the Korean War, was at its lowest in June 1955. There was a subsequent climb, and in June 1957 the level was 9.4 percent higher than the low mark of two years before. But in the interim overseas prices had also gone up considerably.

For instance, the rise in the United States was of an order of 6.4 percent, while in Britain it was 6 percent (May 1957 versus June 1955). In West Germany too there was a 4.2 percent rise. Although the rate of climb in the case of Japan was higher than in these three countries, it must be noted that June 1955 saw a big upsurge in export trade, and our prices then were more than adequately competitive. Consequently, in so far as wholesale prices are concerned it can be said that Japanese prices are still competitive, and there is no ground for contending that we are priced out of the market.

Another noteworthy point is the fact that the price rise of the past two years was due not to in-

ternal prices of imported raw materials and in the factors, but mainly to the rise in the cost of ocean freight. This is borne out eloquently by the trade price indices compiled by the Ministry of Finance.

According to these figures there was a rise of 10.4 percent, comparing June 1957 with June 1955, in the price of imported goods. But for export items the rise was only 4.9 percent. It would not be correct to compare these figures with the statistics tabulated by the Bank of Japan since the selection of items is not the same. But it appears obvious that the major portion of the price increase of imported items has been absorbed internally, and that the effect on export prices has been kept fairly low.

Naturally, the conclusions given above are based on composite indices obtained through statistical tabulation so that when individual items and their price movements are examined some disparities are discovered. Although the wholesale price index moved up 9.4 percent in two years, when metals and machinery only are considered, the climb was of an order of 29.8 percent (iron and steel, 48.2 percent), while with building and construction materials the rise was 25 percent. Among the export items which averaged only 4.9 percent increase in price in two years, metals and metal products went up 32.4 percent. Since metals and metal products are tending more and more to become important export items, the sharp rise in their prices calls for special caution.

Nevertheless, the item currently indicating the sharpest decline is steel products; and this goes to show that the disproportionately high domestic price of iron and steel will tend to correct itself in the near future. This is not only a reaction to inordinate speculative buying, but a reflection of the changes in the situation overseas. This is borne out by the rise indicated during the past two years (June 1957 versus June 1955) the indices for imported metallic ores and metals (up 40.7 percent) and mineral fuels (up 34.2 percent). The outlook for these prices is that due to softening of the prices at source and to the decline in ocean freight rates there will doubtless be a notable drop. Consequently, the domestic prices for metals and metal products will certainly not go up, and chances are that declines will occur.

Japan's price level, of course, is not low or stable enough at present to warrant complacent optimism. But because the outlook for the most worrisome prices of metals and metal ores is as explained above, too much loud talk about price level reduction may result in reluctance to buy now on the part of overseas customers, and this might cause unexpected slowdown of export trade. Good sense in setting policy is essential.



# A Cross Section of Japanese Economy

## From the Economic White Paper

IN 1956 Japan led all other major nations of the world in regard to the rate of growth of industrial production, export trade, and national income. On the other hand there appeared such difficulties as mounting backlogs of machinery orders, changes in the undercurrent of credit, disparities among the bases of production, and deterioration of the balance of international payments. Given below is what the Economic White Paper reports about the nation's economy, in connection mainly with the payments position, industrial production, and investment.

### Sudden Worsening of the Payments Balance

The advances made in economic growth during the fiscal year ended with March 1957 were far beyond the expectations of most anyone; but the outcome was the looming of a major obstacle in the form of increasing inability to keep the external account in balance.

#### 1. ECONOMIC GROWTH RATES IN FISCAL 1956-57 vs. PLAN (Percentages)

	Actual	Original Target	5-Year Plan Target
National Income .....	13.9	4.3	5.0
Private Investment .....	60.5	8.7	7.8
Individual Consumption ..	8.0	4.0	4.5
Industrial Production*....	23.4	7.2	7.4
Export Trade.....	21.3	7.3	8.8
Import Trade.....	38.9	15.3	7.4

\*Mining and manufacturing production.

While the international balance of payments for fiscal 1956-57 showed a surplus of \$38 million in Japan's favor, the actual results came to a deficit of \$182 million because of increases in usances and other deferred payments. Furthermore, the foreign exchange account does not show the payments (\$47 million) for United States farm surplus commodities received.

Most significant, however, was the sudden worsening of the payments position during the final months of fiscal 1956-57. The results for each quarter of fiscal 1956-57 were: 1st quarter, \$125 million surplus; 2nd quarter, \$7 million surplus; 3rd quarter, \$38 million surplus; and 4th quarter (Jan.-Mar. 1957), \$131 million deficit.

At the time of the payments position crisis of the 2nd half of fiscal 1953-54, there occurred simultaneously a slump in exports and an increase in imports. In the case of fiscal 1956-57 too there appeared a recession in the desire to sell abroad such items as iron and steel, non-ferrous metals, some types of machinery, and cement. Yet, on the whole, export trade gained (in value) by as much as 19 percent over the volume achieved in fiscal 1955-56.

The deficit in the balance of payments was creat-

ed by the 42-percent increase in import volume, and this rate of gain is inordinately great in comparison to that of personal spending (8 percent), national income (13.9 percent), and industrial production (23.4 percent). The reason for personal spending growing at a relatively low rate was the low growth rate of national income coupled with high propensity to save.

In addition to increase in import volume, the increase in ocean freight payments to foreign shipping firms contributed toward making the balance of payment unfavorable.

#### 2. FOREIGN EXCHANGE INCOME AND OUTGO (In \$ million)

	1954 (1954-55 f.y.)	1955 (1955-56 f.y.)	1956 (1956-57 f.y.)	Comparisons 1956 Vs. 1955 (1956-57 Vs. 1955-56)
Export.....	1,532 (1,632)	1,954 (2,905)	2,402 (2,494)	448 (399)
Import.....	1,962 (1,767)	1,848 (1,956)	2,470 (2,782)	622 (826)
Security Forces Spending..	596 (590)	557 (570)	595 (587)	38 (17)
Invisible Export .....	181 (175)	156 (175)	228 (255)	72 (80)
Invisible Import .....	248 (255)	326 (349)	462 (516)	136 (167)
Overall Balance .....	100 (344)	494 (535)	293 (38)	↔201 (↔497)
Actual Balance .....	↔20 (221)	354 (410)	137 (↔182)	↔217 (↔592)

Notes: (↔) sign indicates adverse balance, or worsening of payments position as against preceding year.

Security Forces "offshore" and other spendings not included in "Invisible Export."

"Actual Balance" corrected for usances and other deferred payments.

The deterioration of the payments position is more apparent from the foreign exchange reserve figures than from the income-outgo account. This is due to three causes: 1) time lag resulting from tabulation procedures; 2) import usances granted by Japanese banks will immediately cause a drop in the foreign exchange reserve, but they will not appear in the foreign exchange income-outgo account; and 3) exports by means of time-limit export bills will show up in the income-outgo account before actual receipt of payment.

In any case, the foreign exchange holdings which in March 1956 had come to \$1,417 million dropped by \$225 million in twelve months so that the level at the end of March 1957 was \$1,192 million. In this amount is included the sum of some \$260 million, representing doubtful receivables in connection with "open account" trade with Indonesia, Argentina, and the Republic of Korea.

#### Steadily Declining Growth Rate of Export Trade

Export volume (Customs clearances) in fiscal



1956-57 amounted to \$2,598 million, up \$460 million (22 percent) over the 1955-56 level. Notable among the items registering gains were ships, rayon staple fabrics, and marine products. Since export prices increased by 3.8 percent, the actual increase in quantity was in the order of 17 percent.

The major factor involved in this phenomenal growth of export trade was the satisfactory expansion of the world economy. For one thing, world production (manufacturing) increased by 4.5 percent, while the prosperity of Western Europe resulted in reduction of ability to sell abroad, much to the advantage of Japan. Other contributory factors were: notable gains in ship exports; procurements in Japan with ICA funds; increase in trade with Communist China; and shipments of goods in connection with reparation payments. It must also be noted that domestically there occurred such helpful developments as improvement of quality and increase of productive capacity.

Nevertheless, there appeared on the other hand deterrents to export such as restrictions on imports, and growing self-sufficiency overseas, and at home some decline in the capacity available for export production.

In consequence, whereas world export trade has been growing steadily over the past few years (4 percent in 1954, 9 percent in 1955, and 10 percent in 1956) the reverse trend has been followed by Japan's exports (28 percent in fiscal 1954-55; 24 percent in 1955-56, and 22 percent in 1956-57). When ships are excluded, Japan's export trade growth rate in 1956-57 was 13 percent, coming closer to the average rate for the world.

### 3. FOREIGN EXCHANGE HOLDINGS

(In \$ million)

	US Dollars	Pound Sterling	Open Account	Total
March 31, 1951 .....	403	44	46	493
March 31, 1952 .....	643	279	137	1,059
March 31, 1953 .....	835	141	84	1,060
March 31, 1954 .....	628	75	101	803
March 31, 1955 .....	626	286	193	1,106
March 31, 1956 .....	896	272	249	1,417
March 31, 1957 .....	897	31	263	1,192

Note: Excluding Administrative and Deposit Accounts

Source: Ministry of Finance

### Sharp Increase in Import Purchases

Imports during fiscal 1956-57 amounted to \$3,603 million, according to Customs statistics, and this represents an increase of \$1,016 million (39 percent) over the preceding fiscal year. Allowing for the 5.2 percent rise in import commodity prices, the real gain over fiscal 1955-56 comes to 32 percent. Looking into this achievement by month, it is found that for the first six months there was little or no increase; but in the third quarter there was a gain of about \$301 million each month, and in the fourth the increment averaged about \$355 million. In April and May this year, the gain was as much as \$403 million or \$405 million.

The biggest cause of this increase in export

volume was the boosting of production (up 24 percent), calling for a 40-percent or so boost in purchases of raw materials. According to the Ministry of International Trade and Industry consumption of the seventeen major items of imported raw materials was up 31 percent (in fiscal 1955-56, production went up 13 percent, while imported materials consumption went up 14 percent).

There are two explanations for sharp rise of raw materials consumption. One case would be boosted production of items depending largely on imported materials—e.g. cotton goods and wool products. The other would be shortages of domestic materials caused by bigger production even where dependence on imported raw materials is normally low.

The situation in fiscal 1956-57 was of the second pattern. The increase in raw materials imports amounted to as much as \$400 million (for instance, with steel scrap there was a 300-per cent increase; with non-ferrous metals, 250 percent; and with iron ore, 160 percent). The trends of the past few years indicate that for a 10-percent boost in production of consumer items it is necessary to increase importation of raw materials by 11 percent. But for boosted production of investment products a 14-percent increase in raw materials imports is needed to achieve a similar 10-percent upping of the output.

It also happened that production of primary products such as iron and steel, petroleum derivatives, non-ferrous metals, and chemicals could not keep up with the requirements, and this shortage had to be bridged by import purchases. These in total came to about \$200 million-worth. When the small-lot importation of chemicals for the newly developed industries is included, the increase in primary product imports comes to about \$300 million.

Another factor contributing to increased importation is the gain indicated by raw materials stockpiles. As of the end of March this year there was on hand a 2.4-month supply of iron ore (March, 1956, 1.7-month). The stockpile of steel scrap was enough for 1.5 month of production (1.1 month); that of raw cotton, for 1.7 month (1.3 month; and the supply of raw wool stood at the 3-month level (2.7-month).

The result was that the raw materials inventory index went up some 60 percent over the fiscal 1955-56 level; and when this increment is appraised at 1955-56 prices, the value of producers' and distributors' inventories combined went up in value by some \$150 million.

In addition, the rise in ocean freight rates contributed considerably to the cost of imported materials and to the increase in outgoing payments. This increment is estimated for fuel and raw materials at some \$160 million.

All in all, of the increase in value of import purchases, estimated at some \$1,000 million for fiscal 1956-57, some \$300 million contributed to boosting of export sales, while the remainder went into various forms of investment.



For a ¥100 increase in consumer spending, import purchasing must be increased by ¥19; while for a ¥100 increase in export sales, there must be a boost of ¥22 in import purchasing. For a ¥100 increase in investment, imports must be upped by ¥29.

#### Dualism of the Japanese Economy

In order to promote growth of Japan's export trade, it is not enough to emphasize only the shift toward the heavy and chemical industries. Thought must be directed toward full utilization of the special characteristic (dualism) of the economy.

When Japan's export markets are classified as industrialized and non-industrialized, the ratio of the former to the latter stands at about 3:7. If the export of ships to Liberia is considered as serving an industrialized market, the ratio becomes 4:6.

At the same time, with Japan's manufacturing operations the average employment for each ¥1,000,000 of value added per annum is three workers (1954). When, with this as the dividing point, the industries are grouped as the labor-concentrating and labor-saving categories, the ratio of the former to the latter in the export business is now tending toward the latter.

#### 4. CUSTOMS CLEARANCES OF EXPORT ITEMS FROM LABOR-USING AND LABOR-SAVING INDUSTRIES (Percentages)

	1934-36 Average	1951	1956
Products of Labor-Using Industries .....	62%	55%	52%
Products of Labor-Saving Industries .....	21	29	44
Other Industries .....	17	6	4

Notes: *Products of Labor-Using Industries*—Processed foods, textiles (excl. rayon goods), furniture & fittings, precision machinery, leather goods, wood products, sundries.

*Products of Labor-Saving Industries*—Chemical products, coal and petroleum derivatives, metals, machinery, paper products, glass products.

*Other Industries*—Raw materials, fossil fuels, special products.

The result of the above analysis is that to the industrialized markets there should be directed the products of the labor-using industries, requiring more labor than capital, while to the non-industrialized markets must be directed the products of the labor-saving industries, those relying more on technology and capital.

Japan, in other words, is a complex mixture of developed and underdeveloped economic structures, which can be described as semi-developed; and the co-existence of large and small businesses side by side constitutes the dualistic nature of the Japanese economy. The uncertain nature of the numerically preponderant small business operations of Japan can however be readily grasped from the table showing the growth rate of bank loans to enterprises of various sizes.

Japan's export trade harbors several problems. For one thing, many of the export items are encountering slack-offs in demand. Moreover, the rate of growth of the Asia area, the principal export market, is lower than elsewhere; while with heavy

#### 5. PATTERN OF LENDING BY ALL BANKS EXCEPT BANK OF JAPAN

(In ¥100,000,000; percentages in parentheses)

	To Big Business	To Small Business	Total
Fiscal 1954-55 .....	1,985 (92.5)	161 (7.5)	2,144
Fiscal 1955-56 .....	1,190 (38.3)	1,913 (61.7)	3,103
Fiscal 1956-57 .....	6,690 (64.9)	3,623 (35.1)	10,314
1st half, fiscal 1956-57 ....	2,687 (58.5)	1,908 (41.5)	4,595
2nd half, fiscal 1956-57 ....	4,003 (70.0)	1,715 (30.0)	5,718
April, 1957 .....	350	98	252

industrial and chemical products the competition with other more advanced countries is intense. Then, for textiles and sundry goods, which are competitive, there is persistent agitation in the United States for restriction of imports.

#### Development of the Investment Boom

In fiscal 1955-56, the year of the "quantitative" boom and export boom, there was a 13-percent increase in industrial production as against the preceding year. But in fiscal 1956-57, the growth of mining and manufacturing production, reflecting heavy investment activity, stood at 23.4 percent, the highest rate in the world. Should this pace continue for two or three more years Japan's industrial production will attain the level maintained by France and Italy.

Because of this phenomenal growth rate, however, there was a fading of the "quantitative" boom from about mid-1956, and bottlenecks began to appear on the production scene. The investment boom that ensued will be briefly described.

The surge in export trade which occurred from the second half of 1954 set off a chain reaction of business activity, starting with the export industries, then spreading on into consumer goods manufacturing, capital goods production and the basic industries. Simultaneously there took place increasingly more activity in investment. The effect of this investment on expansion of production, expressed in terms of percentage contribution, was extremely high in fiscal 1956-57, at 54 percent, as against the 24 percent of consumer spending and the 19 percent of export trade.

Although the high business activity of fiscal 1956-57 is referred to as an investment boom, there are considerable dissimilarities to the investment boom

#### 6. PRODUCT DELIVERIES INDEX GAIN RATE (VS. PRECEDING YEAR) (Percentages)

	Fiscal 1953-54	Fiscal 1956-57
Mining & Manufacturing .....	18%	22%
Investment Products .....	22	30
Capital Equipment .....	25	43
Construction Goods .....	10	18
Consumer Goods .....	17	17
Durable Items .....	23	38
Non-durable Items .....	16	15
Producer Goods .....	18	32

Source: Ministry of International Trade and Industry



of fiscal 1953-54. In both cases, it is true, production and shipments of capital goods exceeded the output and deliveries of consumer items. But in fiscal 1956-57 the gain registered by capital goods out-shipments was 30 percent, a far greater advance than the 22 percent of fiscal 1953-54.

It will be noted that in both fiscal 1953-54 and 1956-57 the growth of consumer item deliveries was the same at 17 percent; but in the case of 1956-57 there was a marked difference in delivery of durable items. In short, demand in fiscal 1956-57 tended to be concentrated on machinery; and as against the 23.4-percent growth of industrial production (Economic Planning Board figures) the expansion of machinery (including ships) production was in the order of 58.5 percent, contributing 37 percent to the overall growth. Metals production, supporting machinery making, also went up 24.3 percent.

In the machinery industry the general tendency in fiscal 1956-57 was to try to cope with the flood of orders without facilities expansion because throughout fiscal 1955-56 the volume of equipment machinery production had been low. In consequence there was a stretching out of delivery periods. As for the situation after fiscal 1952-53, it appears that whereas chemical operations have been making relatively satisfactory progress, the machinery, metals, and textiles industries have followed a cyclic pattern of growth, reflecting the investment and consumption trends as they occurred.

In 1956 there was a 20-percent boost in the production of iron and steel; and although there was a 40-percent drop in export sales, the domestic requirements went up more than 30 percent, making it necessary to increase import purchases of steel products by 500 percent. This is indicative of the shift of the economic pattern toward industries using iron and steel.

For bigger production of steel, it is necessary to start with construction of more blast furnaces. But since this takes time, and immediate requirements must be met, there has been expansion of electric furnace capacity. This in turn has increased the requirements for scrap and electricity. As for the latter, the dry weather which prevailed since November 1956 caused a shortage of hydro-electricity and heavy use of coal for thermal generation. But there was an acute overall shortage of energy, and from January 1957 there was enforced a series of power consumption restrictions, action that had not been necessary since 1952.

In fiscal 1956-57 arose the problem of bottlenecks caused by the key industries—iron and steel, electric power, transportation, coal, &c. This was not so in fiscal 1953-54. The cause of the bottlenecks was due primarily to the relative underdevelopment of the key industries, and secondarily to the load imposed upon other bottleneck industries by the efforts to remove the obstacles.

As for the nation's consumer demands, the level

was generally satisfactory particularly since 1956-57 was the replacement period for the clothing that had been purchased in 1953-54. However, there was a surge in demand for new products and sluggish buying of conventional goods.

#### Pattern of Investment in Facilities

Investment in facilities and equipment began to increase from the second half of 1955, and from the start of fiscal 1956-57 the activity took on substance to become a phenomenal tide. The aggregate investment in fiscal 1956-57 was ¥1,400,000 million, a level 80-percent higher than that of fiscal 1955-56. Analysis of this investment reveals the facts outlined below.

First of all, since the investment activity was aimed at capacity expansion, there occurred, as had taken place in fiscal 1955-56, continued expansion of rayon production facilities; accelerated build-up of cotton spinning capacity to evade the restrictions imposed by the "Emergency Measures Concerning Facilities Construction of the Textile Industry" which was enforced from October 1956; build-up of petroleum refining capacity in connection with import quotas, and plant for production of durable items such as television sets, electric refrigerators, and other appliances; expansion of beer brewing capacity; and a rush to complete expansion of department store space. In all these cases, there was a surge of investment in the early portion of fiscal 1956-57, and a leveling-off in the second half of that year.

The next phase was that of facilities modernization. For instance, with the high demand for ocean freight space there occurred a feverish rush to build additional bottoms. Consequently, in addition to 314,000 tons in programmed shipbuilding construction, there were completed some 300,000 gross tons of privately ordered ships. Qualitywise, there was increase in unit size as well as higher cruising speeds.

The shipbuilders, anticipating the trend toward bigger supertankers and other vessels, began remodeling their yards and berths to accommodate mammoth ships; while there were other changes effected such as the ammonium sulphate industry's shift of gas sources, and modernization of the petroleum refining, automotive, heavy electrical machinery, paper, pulp, and other industries. Notable among the advances made in fiscal 1956-57 was the progress seen in the adoption of automation by various industries.

It should be noted, moreover, that as in fiscal 1955-56 there continued to be investment in plant facilities for new industries or for production of new products. In particular there was phenomenal progress indicated by the petrochemical industry. In addition, there was considerable investment in facilities for vinyl chloride, transistors, titanium, zirconium, and other new products and materials.

Simultaneously, there occurred more and more



investment in the key industries which had begun to constitute bottlenecks from about mid-1956; and investment in electric power and iron and steel became considerably larger than had been originally planned at the start of the fiscal year. The machinery industry too became the object of investment; while with coal it became apparent from about yearend 1956 that shortages would occur, and this led to improvements revolving about the sinking of vertical shafts.

As explained above, the investment rush began with action to meet volume requirements, and this was supported by growth of sales and the easing of credit. Then, with competition among enterprises furnishing the stimulus, the objective of investment in equipment shifted from the second half of fiscal 1956-5 toward modernization and improvement. All along, investment in plant for new industries and products continued to be positively undertaken; and with the final addition of investment in the bottleneck industries, the investment boom really became a phenomenal tide.

It must be noted that although almost every type of industry undertook some sort of investment in plant last year, some time will be required before the effects begin to be discernible. This is quite unlike the situation after the investment boom of 1953 or thereabouts, when, with the exception of electric power there was a substantial upping of production in a relatively short while.

Another matter worthy of attention is the fact that investment activities led to other "induced" investments. For instance, for higher production of steel, the electricity requirement went up to necessitate further development of power resources. This sort of thing occurred in almost every area of industrial activity.

#### Investment in Inventory Also High

Even industries which had exercised restraint in inventory build-up in fiscal 1955-56 began to add to their stockpiles in 1956-57. True, with producers' finished product inventories there was a decline during the first half of fiscal 1956-57. But with distributors' inventories there was an abnormal increase. According to the Ministry of International Trade and Industry commercial situation statistics there was during fiscal 1956-57 an increase of 58 percent in the stocks held by wholesalers and retailers.

Investment in semi-finished products also increased, particularly among the investment goods manufacturers; and according to the Ministry of Finance survey of corporate businesses the increase in fiscal 1956-57 was in the order of ¥150,000 million (35 percent). Naturally, raw materials stockpiles also mounted noticeably, particularly with investment and producer goods production. Inventories of imported raw materials went up 61 percent as against the level of fiscal 1955-56.

Consequently, the total amount of investment in inventory in fiscal 1956-57 came to ¥640,000 million, at some 40-percent higher a level than in fiscal 1955-56, the ratio of raw materials to unfinished goods to finished products inventories was, generally speaking, 3;3:4. However, in so far as production had gone up some 20 percent, it should be logical to expect an increase of at least ¥300,000 million to ¥350,000 million.

This expanded inventory naturally has become a burden on enterprise, and since the end of the fiscal year there appears to have started a slowdown in inventory build-up.

As for the equipment investment plans for the current fiscal year, the survey made by the Ministry of International Trade and Industry as of January 31, 1957 shows an increase of 32 percent to be expected. Nevertheless, as against the level at the end of fiscal 1956-57, the amount at the end of fiscal 1957-58 will be higher by only 8 percent or thereabouts.

#### 7. WAGE-EARNER HOUSEHOLD BUDGET SURPLUS AND STATE SUPPORT BENEFICIARIES

	Household Budget		Support Beneficiaries (persons per annum)
	Surplus Rate	Savings Rate	
Fiscal 1951-52 ..	2.9	0.5	202
Fiscal 1952-53 ..	4.0	1.4	206
Fiscal 1953-54 ..	6.5	2.4	193
Fiscal 1954-55 ..	6.8	3.7	189
Fiscal 1955-56 ..	8.6	5.4	193
Fiscal 1956-57 ..	10.2	6.8	183

Notes: Surplus Rate =  $\frac{\text{Real Income} - \text{Real Expenditure}}{\text{Real Income}}$   
 Savings Rate =  $\frac{\text{Savings, Insurance, Pensions, etc.}}{\text{Real Income}}$

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# Industrial Concentration

JAPAN's mining and manufacturing production dwindled as a result of defeat to a level of only 30.7 percent that of prewar (1934-36 average). The industrial production index subsequently rose, and in 1949 it stood at 58.1 (1934-36=100). Then there occurred rapid recovery, due in part to the Korean War, so that for fiscal 1951-52 the index was 118.4, higher than the prewar average; while for fiscal 1955-56 and fiscal 1956-57 the achievements were respectively 187.7 and 231.7, more than double prewar.

This growth indicates the Japanese economy since the war to have gone through a reconstruction phase followed by a period of expansion and consolidation, mainly in the direction of the heavy and chemical industries with emphasis on such new fields as petrochemicals and nuclear energy. This change in pattern of the industrial structure has been occurring hand in hand with heavier concentration and accumulation of capital and production facilities, and with a re-emergence of industrial and business affiliations.

In dealing with this changing situation, the Fair Trade Commission, charged with the implementation of the Anti-Monopoly Law, has been undertaking special surveys of the activities of monopolistic organizations and the actual conditions created by concentration of enterprises. The results as of fiscal 1949-50 were published some time ago, and recently the 1955-56 survey was made public. The salient points of this report are given below.

Deconcentration of monopolistic enterprise was one of the basic policies during the early days of the Allied Occupation of Japan, and the stand taken in this respect was unequivocally strict. First to be undertaken was the dissolution of the "zaibatsu" (the powerful moneyed family cliques), and for this purpose there was formed in 1946 the Holding Company Liquidation Commission. A total of 83 companies, including the "zaibatsu" concerns, were designated as "holding companies", and the task of breaking these up was launched (10 families were designated as "zaibatsu" families, and the number of persons involved came to 56).

In order to eliminate monopolistic practices and trends in general there was promulgated in 1947 the Law Concerning Prohibition of Private Monopoly and

the Maintenance of Fair Trade (Anti-Monopoly Law). Following upon this measure was the enactment of the Law for Elimination of Excessive Concentrations of Economic Power (Deconcentration Law), temporary legislation designed to normalize the effects of excessive expansion and centralization enforced during the war. After fragmentation of the big organizations was completed, this Law was repealed.

The recent Fair Trade Commission report deals with the business results of the top ten corporations of each category of industry or business, using the actual production figures (quantity) for producing concerns, and sales and comparable figures for other types of business. The survey attempts a quantitative analysis of the situation, and compares the figures of the top-ranking ten with the national totals to indicate the degree of concentration of private economic power.

For measurement of size and power of enterprise are such yardsticks as a) capital, or capital and reserves, b) total available funds, and c) invested funds, all related to capital or funds; and d) business capacity, e) labor employment, f) business results, &c., covering operations. But in any case the conventional criteria related to capital tend to be distorted more or less mainly by the effects of the postwar inflation and technological advances; and there exist considerable disparities between enterprises in connection with among other things, change in capital structure (increase in the proportion of equity capital), efficiency improvements, assets revaluation, and utilization of plant facilities. Consequently, although there is some risk of inaccuracy due to business activity fluctuations, the production level was adopted as the criterion of economic power, with quantity used instead of monetary value; and only in the cases of finance, commerce, and services is the result expressed in terms of money.

Concentration of productive power had already progressed considerably before World War II; and after the war there was, rather, some retrogression as the outcome of 1) direct and indirect wartime damage, and wear and tear; and 2) postwar Occupation actions such as "zaibatsu" dissolution and economic deconcentration.

## 1. BUSINESS CATEGORIES WITH NOTABLY HIGH CONCENTRATION OF PRODUCTION

	(In percentages of total output)			
	1 Company	3 Companies	5 Companies	10 Companies
Oilwell Drilling & Operation .....	97.8	—	—	—
Iron & Steel .....	23.0	51.2	65.5	77.3
Cast Iron Pipe .....	63.4	98.8	99.0	100.0
Electrolytic Copper .....	30.1	70.3	87.5	100.0 (8 Companies)
Aluminum .....	48.5	100.0	—	—
Electric Locomotives .....	27.9	74.4	100.0	—
Motor Truck Chassis .....	28.1	79.8	96.4	100.0 (7 Companies)
Light Trucks (4-wheel) .....	47.6	98.3	99.9	100.0 (6 Companies)
Timepieces .....	31.1	65.1	75.4	89.1
Photographic Film .....	79.4	100.0	—	—
Sheet Glass .....	57.1	100.0 (2 Companies)	—	—
Food Container Cans .....	49.1	77.9	88.7	—
Synthetic Fibers .....	51.3	92.1	99.9	100.0
Beer .....	26.8	100.0	—	—
Monosodium Glutamate .....	79.6	89.8	97.2	100.0 (8 Companies)
Express Transportation .....	65.7	—	—	—
Raw Celluloid .....	47.3	67.8	79.2	90.2
Butter .....	40.4	70.1	83.3	86.0
Powdered Milk .....	34.8	85.7	93.4	96.3
Electric Power .....	22.5	56.4	80.1	100.0 (9 Companies)



Of the 82 business categories surveyed, only 18 showed higher concentration in fiscal 1949-50 than before the war. Moreover the majority of these consisted of those categories forced into mergers and other reorganizational arrangements during the war. In these 18 categories, none of the enterprises became bigger subsequently, up to fiscal 1955-56, than before the war; while the degree of concentration as compared to prewar diminished in the interim in the cases of galvanized steel sheet, cotton spinning, cotton weaving, and life insurance, with concentration in the cases of synthetic dyestuff, oilwell operation, calcium superphosphate, rayon staple wool, cement, transportation, and damage insurance declining below the fiscal 1949-50 level. (The other categories of the 18 are: cast iron pipe, aluminum, sheet glass, photographic film, raw silk, rayon yarn, and beer.)

**2. BUSINESS CATEGORIES WITH NOTABLY LOW CONCENTRATION OF PRODUCTION**  
(In percentages of total output)

	1 Com- pany	3 Com- panies	5 Com- panies	10 Com- panies
Pattern A				
Sake Brewing .....	1.0	3.0	4.6	7.6
Match Manufacturing ....	9.4	4.2	31.0	47.8
Wool Yarn Spinning ....	6.8	11.7	15.8	22.4
Pattern B				
Sewing Machines .....	14.5	25.1	32.9	49.7
Soy Sauce Brewing .....	12.4	17.9	21.2	25.1
Foreign Trade .....	9.2	20.4	30.0	43.8
Cotton Fabrics .....	2.7	8.1	12.6	18.6
Milk .....	15.9	30.1	32.9	37.2

Source: *The Oriental Economist*.

When the concentration of productive power in fiscal 1955-56 is graded as high, medium, and low, the results for the high categories, with less than ten companies contributing more than about 90 percent of the total output, are as shown in the table below. The bulk of these classifications of enterprise are those requiring heavy investment in equipment, thus constituting fields closed in many ways to new ventures. The number of active enterprises therefore tends to be small, and capitalization generally speaking is high to result in notably high and unchanging concentration of capacity in a small number of corporations. Included among the highly concentrated categories are those enterprises established or operated under special circumstances such as 1) monopolization of mining concessions (oilwell drilling and operation, sulphate ores, electrolytic copper); and 2) legal or administrative restriction of operations (beer, monosodium glutamate). Moreover, such industrial categories as oilwell drilling and operation, motor vehicles, and timepieces are, regardless of high concentration, exposed to competition with imports; while those industries highly dependent on export sales tend to be somewhat restricted in regard to control over the domestic market. Nevertheless, in the categories listed as highly concentrated, competition is incomplete and in actual practice non-existent, with but one or two exceptions. Moreover, when only two or three enterprises exist in a given category and when there is little disparity in size or financial strength, the tendency toward monopolistic control is actually stronger than in the case of an incomplete straight monopoly.

Turning next to the business categories with medium concentration of production, this group is loose-

ly defined as having more than about ten active companies of about the same size, with no outstanding enterprise or a cartel arrangement. With the highly concentrated business categories tacit price agreements and other restriction of competition can be effected without definite cartel arrangements. But in the case of medium concentration joint action is difficult without specific agreement.

The medium concentration group comprises business categories in which 1) only large enterprises of about equal strength participate; and 2) both large and small enterprises operate side by side. In the former case, it is fairly easy to effect cartel arrangements; but the reverse is true with the latter. However, even with the latter situation it is possible for the larger enterprises only to control the market when the output of the small comes to only 20 or 30 percent of the total, or when such special conditions as brand acceptance, superior quality, and regional monopoly exist.

When there is no participation by small business, there is little or no change in the degree of concentration, the only year-to-year difference being in the ranking. But when both large and small enterprises exist, with disparities in size and methods, the effects of overall economic trends are reflected sharply, with considerable shifts in the degree of concentration due to the fact that the larger enterprises usually have more trouble in adjusting to requirements.

(The medium concentration categories are not listed since they are those that do not appear in the high or low groups.)

The low concentration categories generally comprise small enterprises. There are, however, two definite patterns: A, almost totally small business; and B, an admixture of the large and the small. In the case of pattern A, it is almost impossible to see voluntary formation of cartels. Only when legal tax requirements or large controlling interests bring about such arrangements do cartels or syndicates appear. But in the case of pattern B, it may happen that because of the superiority of the big enterprises in size, production methods, and marketing the smaller will unite to set monopolistic prices, or the larger to form a cartel among themselves.

When the distribution of a product is regional, there may be high local concentration although nationally speaking the concentration of a given category may be low (milk, soy and sauce). With the low concentration categories, economic trends affect degree of concentration when large and small businesses exist side by side, while when only small enterprises are involved there is little or no change in the ranking of the top ten. Generally speaking the low concentration categories buy materials and supplies from big business, and sell their products cheaply. A notable feature of the Japanese industrial structure is the existence of huge, monopolistic enterprises for the production of capital goods and primary products, and the great number of small and marginal enterprises engaged in the production of secondary products and consumer items.



# Orientation of Farming

THE Ministry of Agriculture and Forestry recently made public the more important aspects of the 1955 Extraordinary Basic Farm Survey, a large-scale census of farm households last taken on February 10, 1955. Since this survey is made every five years, comparison of the 1955 results with those of 1950 clearly reveals the basic trends of Japanese farming subsequent to the fundamental changes brought about by the land reform of 1946-50. These trends in brief can be enumerated as follows: 1) the number of farm households, which had been increasing, is now on the decline; 2) the small, marginal farmers are turning to other jobs, while progress has been made by the medium and wealthier groups; 3) there has been notable increase in the number of landed farmers; 4) on the other hand, dependence on auxiliary jobs is increasing; 5) there is no decline in the flow of farm household members seeking non-farm jobs; and 6) at the root of these developments can be discerned advances in productivity due to improvements in methods.

## Number of Farm Households on Decrease

Let us first turn to the number of farm households, the key element of farm production. Since the start of the twentieth century, the number of Japanese farm households tended to remain constant at about 5.5 million units. But as a result of the economic disruption, food shortages, and large scale demobilization and repatriation following upon the surrender in 1945 there was an abnormal distension of the farm population. This, naturally, caused increase in the number of farm households, and the total went up to 5,909,000 in 1947. In 1950, there were 6,176,000 households, but because subsequently there began, with the gradual normalization of the situation, a backflow to the urban areas the number of farm households underwent a decline. As of February 1955, the total stood at 6,043,000, some 133,000 or 2 percent less than in 1950. The rate of decrease at about 20,000 households per annum about matches the results of the auxiliary surveys made each year. Nevertheless, a decline rate of 2 percent per annum cannot be said to be significant; and it may be more correct to describe the situation as stagnant with a slight tendency toward decrease. All in all, the number of farm households today is notably higher than in the prewar years.

The tendency toward diminution was general throughout Japan except for the Tohoku (north-eastern) area, where slight increase has been taking place. This is probably because in this part of the country the unit size of the farms, normally specializing in rice as the sole crop, is relatively large, thus permitting the establishment of new households through division of land among family members.

The total acreage under cultivation was shown by the 1955 farm census to be 5,183,000 *Chobu* (*Chobu*=2.45 acres). This figure is slightly larger than the 5,012,000 *Chobu* of 1947 and the 5,091,000 *Chobu* of 1950. However, the increase is in the order of from 2 to 3 percent; and when it is considered that the farmers tend to understate their acreage by from 10 to 20 percent when interviewed, the numerical increase in itself becomes rather insignificant. It is therefore risky to presume that acreage is increasing.

## Notable Decrease of Marginal Farmers

Looking next into the shifts in the number of farm households, stratified by the acreage worked, the tendency from the turn of the century up to World War II was invariably that of normalization of the distribution, with diminution of the extremes (less than 0.5 *Chobu*, and more than 2 *Chobu* worked per household). But the war and post-surrender years brought about a basic change in the pattern, with the growth concentrated among the small farmers of less than 1 *Chobu* holdings, particularly the group working less than 0.5 *Chobu*. Conversely, there was a diminution of those working more than 1 *Chobu*. In other words, the increase in the number of farm households resulted in general reduction of the unit size (Cf. Table 1). In the postwar period 1947 through 1950 this trend toward minusculation continued, and there was steady decline in the number of the bigger farm households. (There was, it is true, some increase in the 1 to 2 *Chobu* group.)

But from 1950 there again occurred a shift in the pattern, with a decline in the small holdings of less than 0.5 *Chobu*. Then, with the 0.5 to 1 *Chobu* group, although there was a proportional increase, the actual number of households did not go up significantly. In most areas, there was a decline. Thirdly, the households working more than 1 *Chobu* indicated a definite tendency toward increase. As already mentioned, there occurred a decrease of 133,000 farm households during the five years up to

1. FARM HOUSEHOLDS BY ACREAGE WORKED  
(In 1,000 households)

	August 1941	August 1947	February 1950	February 1955
less than 0.5 <i>Chobu</i> ..	1,771(33.7)	2,416(42.4)	2,461(41.5)	2,274(39.2)
0.5 to 1 <i>Chobu</i> .....	1,613(30.7)	1,813(31.8)	1,952(32.9)	1,955(33.7)
1 to 2 <i>Chobu</i> .....	1,447(27.6)	1,261(22.1)	1,308(22.1)	1,357(23.4)
2 to 3 <i>Chobu</i> .....	313( 6.0)	181( 3.2)	176( 3.0)	119( 3.1)
3 to 5 <i>Chobu</i> .....	76( 1.4)	28( 0.5)	26( 0.4)	28( 0.5)
More than 5 <i>Chobu</i> ....	7( 0.1)	1( 0.0)	1( 0.0)	1( 0.0)
Exceptional Units ....	24( 0.5)	1( 0.0)	7( 0.1)	10( 0.2)
Total .....	5,251( 100)	5,702( 100)	5,931( 100)	5,806( 100)

Notes: 1. Parenthesized figures, percentages

2. "Exceptional Units" refer to, up to 1947, absentee landlords; after 1950, marginal farmers with less than 0.1 to 0.5 *Chobu* under cultivation, depending on locality, but engaging in animal husbandry or sale of farm products.

Source: Ministry of Agriculture and Forestry



1955. This was due mainly to the abandoning of farming by the marginal households working less than 0.5 *Chobu*. It is believed that the relatively well-to-do farmers acquired the acreage thus abandoned, to consolidate their holdings.

Farm household acreage has thus begun to increase, but as against the prewar situation the number of households working more than 1 *Chobu* is notably small. However, as has already been noted, the wartime and postwar controls imposed on farm products have made it habitual for the farmers to understate their acreage or crop yield; and it is believed that the reported total acreage may be 10 to 20 percent less than actual. Consequently, it is difficult to say just how much smaller are the acreages as compared to prewar.

#### Greater Dependence on Outside Jobs. Ownership Grows

The 1955 farm census reveals that 2,105,000 farm households (34.8 percent) were engaged in farming only\*, while 2,724,000 farm households (37.6 percent) were classifiable as mainly dependent on farming for income, but with other sources. 1,663,000 households (27.6 percent) were mainly dependent on non-farm occupations.

\*By "farming only" is meant those farm households with no member having income from sources other than farming.

By "farming plus" is meant those farm households with income from sources other than farming.

Class 1 farming plus households depend mainly on farming.

Class 2 farming plus households depend mainly on income from sources other than farming.

Under wartime conditions, the highest rate of farming combined with other jobs occurred in 1941 with 42 percent of all farm households engaged in farming only, and 58 percent in the farming plus category. Compared to this situation, the recent predominance of farming plus households is indeed remarkable. The decline of the urban labor markets after the war and the abnormal farm boom led to high specialization; and in 1947 farming only households comprised 55.4 percent of the total, with class 1 farming plus at 28.5 percent, and class 2 farming plus at 16.1 percent. But this trend toward specialization became reversed as industry recovered and the demand for manpower grew, so that in 1950, the farming only and farming plus households were about even. Subsequently, the practice of seeking jobs outside of farming so grew that the 1955 farm survey shows that the farming plus households now outnumber the farming only households by almost 100 percent, with the class 1 farming plus households exceeding the farming only households. It should be noted, however, that the 1955 farm census

was carried out with more than the 1950 survey; and it is possible that the combination of farming with other jobs was already considerably prevalent previously. Nevertheless, because the figures are so impressive, it must be concluded that dependence on outside jobs has increased notably in recent years.

#### 2. FARMING ONLY AND FARMING PLUS HOUSEHOLDS (In 1,000 households)

	Total	Farming Only	Farming Plus	Class 1	Class 2
Aug. 1, 1941	5,499(100)	2,304(41.9)	3,195(58.1)	3,040(37.1)	1,155(21.0)
Aug. 1, 1947	5,909(100)	3,275(55.4)	2,635(44.6)	1,684(28.5)	951(16.1)
Feb. 1, 1950	6,176(100)	3,086(50.0)	3,090(50.0)	1,753(28.4)	1,337(21.6)
Feb. 1, 1955	6,043(100)	2,105(34.8)	3,938(65.2)	2,274(37.6)	1,663(27.6)

Note: Parenthesized figures, percentages

Source: Ministry of Agriculture and Forestry

As for "landed" owner-operator farmers, the proportion before the land reform of 1946-50 came to only about 30 percent. But the dispossession of absentee landlords and the limiting of farm land holdings to certain specific amounts (Hokkaido differs from Honshu, Kyushu and Shikoku) resulted in a notable increase of owner-operators. They made up 61.8 percent of the total in 1950, while by 1955 the proportion had gone up to 69.5 percent. When to this segment is added the 21.6 percent consisting of owner-tenant\* farmers, working both owned and rented land, the "landed" farmers make up more than 90 percent. Conversely, tenant owners\* and tenant farmers diminished sharply after the reform, so that by 1955 these two groups combined made up only 8.7 percent of the total. In other words, the trend toward ownership of farm land by the actual operator has continued unabated subsequent to the completion of the land reform measures in 1950.

\*1. By "owner-operator" is meant a farmer whose acreage worked is more than 90 percent his own.

2. By "owner-tenant" is meant a farmer whose acreage worked is from 50 to 90 percent his own.

3. By "tenant-owner" is meant a farmer whose acreage worked is from 10 to 50 percent his own.

4. By "tenant farmer" is meant a farmer whose acreage worked is less than 10 percent his own.

Because under state control the rental for farm land is pegged at a low level, it is unprofitable for owners to lease their farm acreage to tenants. Landowners therefore try either to get back their leased land or to sell out to tenants at unofficial prices. The increase in owner-operators is also related to the notable decrease in the number of the marginal farmers who had operated less than 0.5 *Chobu*.

#### Declining Farm Population

According to the farm census of 1955, the total membership of farm households (including farm em-

#### 3. COMPARISON OF OWNER-OPERATORS AND TENANT FARMERS (In 1,000 households)

	Total	Owner-Operator	Owner-Tenant	Tenant-Owner	Tenant Farmer	Other
Aug. 1, 1941	5,499(100)	1,711(31.2)	1,139(20.7)	1,100(20.0)	1,527(27.7)	24(0.4)
Aug. 1, 1947	5,909(100)	2,157(36.5)	1,183(20.0)	997(16.9)	1,574(26.6)	1(0.0)
Feb. 1, 1950	6,176(100)	3,822(61.8)	1,591(25.7)	411(6.7)	312(5.1)	41(0.7)
Feb. 1, 1955	6,043(100)	4,199(69.5)	1,308(21.6)	285(4.7)	239(4.0)	11(0.2)

Notes: 1. Parenthesized figures, percentages

2. By "other" is meant, up to 1947, non-operating farm households (owners); and after 1950 those whose acreage worked is neither rented nor owned in excess of 50 percent.

Source: Ministry of Agriculture and Forestry



ployees living with farmers) came to 36,470,000. These figures indicate a decrease of 1,340,000 as against the 1950 count. The rate of decrease is considerably greater than the rate of diminution of farm households, so as a result, the average membership of a farm household in 1955 was at 6.03 persons as against the 6.12 of 1950. Since the decrease in farm households during the five years ended in February 1955 was by 133,000 units, it can be considered that some 790,000 persons ( $133,000 \times 6.1$ ) dropped out of the farm population as a result of the decrease of farm households. Consequently 1,340,000 less these 790,000, or 550,000 persons, are those moving out of existing farm households to find employment elsewhere.

4. FARM HOUSEHOLD MEMBERSHIP						
	Total Actual (1,000)	Popula- tion per House- hold	Male Actual (1,000)	Popula- tion per House- hold	Female Actual (1,000)	Popula- tion per House- hold
Aug. 1, 1947	35,916	6.07	17,483	2.96	18,433	3.11
Feb. 1, 1950	37,813	6.12	18,586	3.01	19,266	3.11
Feb. 1, 1955	36,469	6.03	17,921	2.97	18,548	3.06

Source: Ministry of Agriculture and Forestry

When the pattern of the farm population, ranked by age groups, is compared with that of the entire population it is noted that the relative size of the 20 to 49 working age group is smaller, with the discrepancy greater in 1955 than in 1950. Conversely, the relative size of the more-than-50 age group is larger among the farmers. In other words, the young and active age group tends to turn to com-

bined farm and other work or to non-farm jobs in the cities; and farming is left to the relatively older people.

However, in recent years the birthrate in the farm areas has apparently declined sharply, as it has in the cities; so in the not too distant future the natural pressures which have been forcing surplus farm labor out into the cities will tend to ease off. On the other hand, the use of mechanized farm equipment has progressed remarkably, and there has been a big increase in farm productivity. This will become a factory contributing to excess manpower in the rural areas. The so-called Japanese tractor, the power cultivator, has become so popular that farm households using this contraption jumped from 19,000 in 1950 to 456,000 in 1955. This is a 25-fold increase in use. Before and during the war, mechanization of Japanese farming was limited to the processing of harvested rice and other grains. Only since the war has Japanese farming adopted mechanical means for plowing, tilling, and other cultivating operations. The use of powered threshers and hullers increased from the 2,677,000 households of 1950 to 4,400,000 households in 1955. This indicates that power threshing has become normal practice.

Simultaneously, the keeping of livestock by farmers has progressed notably. As will be seen from Table 6, there was a doubling in five years of the heads of milch cows tended. This is a good index of the progress seen in dairy farming. Nevertheless, the number of farm households keeping cows in 1955 came to but 4.2 percent of the total; and from this it can be seen that there still remains much to be desired. Sheep have doubled, while the keeping of work and beef cattle and pigs has been progressing satisfactorily. Because the need for army horses has all but disappeared, the rearing and keeping of horses has declined.

5. FARM HOUSEHOLDS USING POWER CULTIVATORS AND THRESHERS

	Power Cultivators		Power Threshers	
	Households	Percentage	Households	Percentage
Feb. 1, 1950	18,560	0.3%	2,676,640	43.3%
Feb. 1, 1955	455,610	7.5	4,400,635	72.8
1950 vs. 1955	2,454.7%		164.4%	

Source: Ministry of Agriculture and Forestry

6. FARM HOUSEHOLDS WITH LIVESTOCK

	Feb. 1, 1950	Feb. 1, 1955	1955 vs. 1950 (Percentage)
Milch Cows			
Households	133,024	253,850	190.8%
Percentage of Total	2.2	4.2	
Heads Kept	198,128	421,110	212.6
Work & Beef Cattle			
Households	1,985,748	2,279,630	114.8
Heads Kept	2,251,955	2,636,490	117.1
Horses			
Households	905,324	778,110	85.9
Heads Kept	1,071,139	927,260	86.5
Sheep			
Households	253,109	233,270	210.7
Heads Kept	358,530	785,760	219.2
Pigs			
Households	458,647	527,900	115.1
Heads Kept	607,622	825,160	135.9

Source: Ministry of Agriculture and Forestry



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## Industry

### Pelagic Fishery

SINCE the end of World War II, Japan's fishing industry has undergone a cycle of boom and bust. Immediately after the termination of hostilities, it enjoyed such prosperity that a cut-throat competition broke out among a number of interests. Thus, a reactionary slump soon set in. But leading firms have since been concentrating successful efforts on multi-lateral management and expansion of their business.

#### Postwar Growth of Fishery Companies

Pelagic operations at first were divided into mainly three categories, namely 1) near-sea fishery, 2) far-sea tuna fishery, and 3) west-of-East-Longitude-160 fishery mostly in the waters west of Kyushu Island, including the East China Sea. Operations in distant waters, however, gradually gained in importance. Whaling activities in particular expanded even into the Arctic and Antarctic Oceans. Since 1952, floating canneries for salmon and crabs have been in operation, though smaller in scale than in prewar years, in the Northern waters. According to the Ministry of Agriculture and Forestry's survey, the index of fish hauls from such pelagic operations, except whaling, curved up 14 times from 100 in 1952 to 1,405 in 1955. Such a steep increase was especially noteworthy because in that year Japan suffered the worst deflationary depression. The upcurve would have been much sharper if whaling was taken into account.

Despite the expansion of fishing grounds to distant waters, however, hauls from deepsea fisheries still remain far smaller than those from coastal operations. In 1955, for instance, coastal operations accounted for 77% of the total hauls and pelagic fisheries (excluding whaling) not more than 23%. It is of interest that the ratio of pelagic fishery corporations and minor interests specializing in coastal operations also stands at a similar level, or about 8 to 2, in terms of fish hauls.

The postwar development of leading fishery companies was due not only to the above-mentioned expansion of pelagic operations but also to the promotion of overseas trade, particularly in whale oil, tuna, salmon, trout and crabmeat. Whaling business developed substantially with whale oil exports as a good stimulant. Before the war, whale meat was usually thrown overboard or used as manure, and it is since a few years ago that whale meat has come to be used increasingly as material for canned goods, sausage, etc., for the domestic market. A good portion of tuna hauls from pelagic operations has been sold abroad, mostly to the United States, as frozen, salted and canned foods. Since prewar

years, as is well known, canned salmon and crabmeat have been one of the best sea-foods Japan can sell favorably on the world market.

#### Shrinkage of Tuna Exports to U.S.

Due to brisk sales to the United States, tuna (including bonito) became one of the most promising export sea-foods after the war, taking the place of canned salmon and crabmeat which enjoyed world-wide reputation before the war but suffered a complete stoppage of overseas sales up to 1952. Thanks to its cheapness, frozen tuna has been sold actively to the United States as material for American packers. Abreast with the increase of hauls as shown in Table 1, frozen tuna exports more than doubled from 1952 to 1955 (see Table 3).

1. JAPAN'S FISH HAULS BY VARIETY OF FISH  
(In 1,000 kan)

	Total	Tuna	Salmon & Trout	Crabs	Flat- fish	West-of-E.L.- 160 Fishery
1952.....	1,138,512	3,752	8,715	1,636	31,200	75,919
1953.....	1,136,854	4,688	7,549	1,570	31,732	73,268
1954.....	1,122,671	5,070	9,238	2,094	28,877	73,220
1955.....	1,192,881	6,155	14,441	2,720	27,175	86,248
1956.....	1,149,987	9,845	15,586	1,633	30,585	86,273

Source: *The Oriental Economist* for all tables.

2. WHALES CAUGHT AND OUTPUT OF WHALE PRODUCTS  
(In metric tons for products)

	No. of Whales Caught	Products			
		Whale Oils	Meat & Hides	Others	Total
Antarctic					
1951-52 (6th) .....	3,831	44,111	26,812	84	71,007
1954-55 (9th) .....	5,956	62,377	39,676	827	102,880
1956-57 (11th) ....	8,092	83,729	69,844	1,026	154,619
Arctic					
1952 .....	319	2,313	4,062	118	6,493
1955 .....	2,652	19,026	12,223	669	31,918
1956 .....	3,160	24,922	17,102	..	..
Near-sea					
1952 .....	1,997	4,887	15,953	5,408	26,248
1955 .....	2,354	5,853	16,095	4,997	26,945
1956 .....	3,284	7,859	17,324	..	..

3. FROZEN TUNA EXPORTS TO U.S.  
(In metric tons)

	Amount	Index		Amount	Index
1952.....	27,202	100.0	1954.....	53,017	189.9
1953.....	40,750	149.5	1955.....	64,657	237.9

It deserves special mention that the rate of increase has been slackening off since 1953: i.e. from 49.5%, or the peak, to 30% and then to 20%. In terms of value, exports in 1953 rose by 64.5%, or more sharply than in volume, but the percentage slipped to 34.5% in the following year. In 1955, despite the quantitative gain, there occurred a loss of 7.8% in value. This was ascribed to 1) the growing fear about the radioactivity-contaminated tuna after the U.S. Bikini H-bomb test of March 1, 1955, and 2) the contraction of demand for canned tuna resulting from the weakening of the meat market in



the United States.

Almost the same trend turned out the case with canned tuna, which had been bought increasingly by the United States to cover the shortage of canned tuna made there from frozen tuna from Japan. In 1953, outgoing sales went up by 58.5% to 15,853 mt. from 9,288 mt. a year ago. In the following year, though the quantitative gain was not more than 2.5% due to the poor hauls and the marked increase of frozen tuna shipments, the total value of canned tuna sales was up 11.4%. In 1955, however, though trade volume recovered to 19,286 mt. from 16,264 mt. in the preceding year, or an increase of 18.2%, overseas sales slipped to the 1952 mark in value because export prices weakened substantially.

As shown in Table 4, canned tuna exports to the United States suffered a serious decline in 1951 owing to the upping of the U.S. import duty. Five years later or in 1955, export business managed to rally to the 1950 level, but it has since been stagnant for canned as well as frozen tuna due partly to the dumping sales resulting from the ever-intensifying competition at home and partly to the increasing claims from American customers and the growing accumulation of stocks at home.

4. CANNED TUNA EXPORTS TO U.S.  
(In cases)

1949.....	250,278	1953.....	1,506,813
1950.....	1,415,957	1954.....	1,391,528
1951.....	666,697	1955.....	1,482,417
1952.....	1,089,816		

Such being the circumstances, tuna quotations have been fluctuating wildly, and business conditions have been getting worse for leading corporations which have expanded their fishing fleets. On the whole, it can be said that tuna has been losing in importance as an export item. But there is some hope that domestic demand will gradually get brisker than ever as prices go down.

#### Canned Salmon & Crabmeat Exports

Since the resumption in 1952 of operations in the Northern waters, salmon, trout and crabmeat have been in the limelight of sea-food trade. Though reopened on a tentative scale, 1952 operations reaped far more encouraging results than formerly anticipated. Floating cannery fleets have since been strengthened year after year, and their salmon hauls on the steady increase except in 1953 as listed in Table 1.

Most of these hauls are made into canned goods, which in turn are sold to England, Belgium, the Netherlands, Eire, the United States, etc. As shown in Table 5, though still small in quantity during 1952-53, canned salmon and trout exports registered a particularly sharp gain in 1954 because the London Government relaxed the restrictions on canned salmon imports from Japan, the United States, Canada and the Soviet Union. In that year, Japan sold

abroad ¥3,376 million worth, of which sales to England comprised as much as ¥2,060 million. In 1955, outgoings advanced by about 66% due to brisker shipments to the United States and Australia. Trade has also been growing with Belgium, the Netherlands and Eire.

As far as trade volume is concerned, good hope exists that canned salmon will find an increasing number of customers abroad. But export prices have been weakening, and they still remain below the 1952 mark.

Up to 1955, after all, canned salmon (including trout) had been gaining ground as an export item, taking the place of tuna. Fishery companies, therefore, had been able to enjoy better business though they had made heavy outlays for expansion of their fishing fleets and for financial aid to independent fishing boat operators under their wings.

5. CANNED SALMON AND TROUT EXPORTS  
(In cases)

1934.....	1,330,181	1954.....	379,799
1952.....	38,205	1955.....	630,386
1953.....	80,018		

#### 1957 Outlook Getting Gloomy

1956, however, marked a turn for the worse. Though no obstacle occurred in the way of export trade, salmon catches were so poor due to the Soviet restrictions on operations that indemnities had to be made to owners of independent fishing boats.

In 1957, exceptionally good hauls of red salmon and the subsequent increase of canned red salmon output are likely to bring about far-reaching boomerang effects on fishing business as a whole. For it is feared that a good deal of canned red salmon will remain unsold as a limit is set on shipments to England. In such a case, a number of fishery firms will be obliged to pass their dividends, though their accounts are in the black, unless they succeed in getting loans on their canned salmon in stock. Thus, they are cudgeling their brains about how to break through this financial difficulty.

Salmon and trout hauls in the 1957 season by Japanese boats totalled 99,900 mt., or 100 mt. below the scheduled target (the Soviet allotment). As already mentioned, there was an unprecedented bumper haul of red salmon, which used to be exported as canned food to England. As the result, 1,040,000 cases of canned red salmon, or more than twice 1956's 480,000 cases, were manufactured. Besides, some 130,000 cases out of the 1956 production still remain in stock. For this variety of canned food, demand is as brisk as in England, but whether or not it will be sold elsewhere as favorably as to England is highly problematical.

The London Government has reportedly proposed that the Anglo-Japanese Trade Agreement be extended for six months with trade volume fixed at the half of the 1956 goal. In 1956, it was agreed



between the two countries, canned salmon exports should be set at £4,890,000 or equivalent to 350,000 cases. In view of the above proposal, it is unlikely that England this year will buy more than in 1956. Thus, even if utmost efforts are lavished to sell elsewhere, a sizeable amount of canned red salmon will remain unsold.

Fishery circles wishfully estimate that if Britain should be persuaded to up her import limits to £9,340,000 or equivalent to 650,000 cases of canned red salmon (790,000 cases, including silver and pink salmons), Japan would be well able to sell the remainder of 390,000 cases (680,000 cases, inclusive of other canned sea-foods) to the United States and Canada. And there would remain unsold no appreciable stock. For this wishful calculation it is assumed that about 500,000 cases of various canned sea-foods would be shipped to other destinations except England, the United States and Canada.

Some traders, however, are too pessimistic to comply with such wishful thinking. They fear that even if sales to England should increase as fishery interests anticipate, it will be doubtful if as much as 390,000 cases of canned red salmon, in addition to other canned goods, will be sold to the United States and Canada. Be the case what it may, the crux of the problem is the trade negotiations with London about upping of the import limits, on the one hand, and, on the other, the procurement of bank loans for the period up to the complete disposal of canned salmon in stock.

#### Financial Difficulty of Fishery Firms

The financing of salmon fishing works in the following manner. Most of canned salmon for export purpose are made on floating canneries (mother boats), which are provided with fresh fish by a number of independent fishing boats (called *dokukosen*). These boats are usually chartered at fishing ports mostly on the coasts of Hokkaido and the Sanriku district. Upon completion of fishing operations, floating cannery operators are to pay to the chartered boats in accordance with the amount of fresh fish provided under agreed-upon terms and conditions. Leading fishery companies operating floating canneries, on the other hand, deliver their canned goods to Japan Salmon & Trout Joint Sales Co. (jointly set up with the authorized capital of ¥100,000,000) and receive payments in advance for 70% of their deliveries until the canned goods are sold out through exporters. Thus, they can make payments to the operators of independent fishing boats.

Due to the recent monetary stringency, however, Japan Salmon & Trout Joint Sales Co. is suffering from the serious scarcity of funds. Funds in the hand of the joint sales organ amount to not more than ¥3,000 million, compared with the total of ¥15,000 million required to purchase all canned salmon and trout made in this season. Out of this

fund on hand, ¥1,200 million is to be paid to independent fishing boat operators in Hokkaido with whom the company usually signs contracts for full payments, and about ¥600 million to be used for repayment of loans. The balance of only ¥1,200 million is payable to floating cannery operators. At any rate, about ¥12,000 million must newly be raised in some way or other, and the figure includes the purchase fund (nearly ¥4,500 million out of the estimated total of ¥5,500 million) for a large amount of canned red salmon which may not be sold in the near future and remain as unsalable for some time. As this is something in the nature of inventory financing, it will be highly difficult to raise such a huge fund under the current tight money conditions.

In this light, Japan Salmon & Trout Joint Sales Co. and leading fishery corporations are making vigorous campaigns to secure loans, advocating that their canned sea-foods are not at all stocks in the strict sense of the term as they will be sold in the long run. When they were preparing for fishing operations, the fishery companies borrowed ¥6,000-7,000 million from banks, and they now are in no position to get new loans direct from banks on their own account for payment to independent fishing boat operators. Thus, they are trying hard to borrow money indirect from city banks through the good offices of those influential traders with whom they have close connections. In this way, financing applications have been submitted for ¥12,000 million to the Central Cooperative Bank for Agriculture & Forestry and city banks.

Whether or not these loan applications will be accepted fully still remain to be seen. It is particularly watched with great interest if Japan Salmon & Trout Joint Sales Co.'s application for a loan of ¥4,500 million will be authorized, for this may mark a precedent for this sort of inventory financing. Indirect financing through the credit of trading concerns also involve various difficulties, technical and economic. As trade prospects are not too bright, especially for textile goods, some traders may not find their business conditions so encouraging that they can easily extend financial help to fishing interests, and this in spite of all their mutual intimate relations.

Leading fishery companies are striving not only for elimination of the current financial deadlock but also for further promotion of export trade. As for salmon and trout, the trouble is that their fishing operations and overseas trade are under foreign restrictions.

But the situation is far brighter for whaling business. Though operations are under some restrictions for preservation of the whale stock, whale oil is a promising export item, and domestic demand is brisk for whale meat. As shown in Table 2, the whaling industry has been developing markedly since 1952. In this light, fishery companies are redoubling their efforts for expansion and rationalization of



whaling business.

It is also noteworthy that some fishing firms have made an entry into the field of tanker operations.

*Nippon Suisan*

Capitalized at ¥3,500 million, this company is enjoying prosperity thanks to brisk export business and successful multilateral management. In the 1956 business year ending with March, 1957, its overseas sales amounted to ¥4,732 million, or 24% of the total turnover of ¥19,679 million.

In the current business year starting with April, sales will sum up to ¥21,000 million, of which exports will account for ¥5,100 million or upwards of last year's. Whale and liver oils have already been sold abroad, and most of the proceeds are to be booked for the first half from April through September. The results of Antarctic whaling have been below the scheduled target. The number of whalebone whales caught have been 25% smaller than scheduled, but as many as 613 sperm whales against the 400-head goal have been caught. Moreover, the market has been rather strong for both whale oil and meat. In the case of whale oil, the company appears to have profited ¥10,000 more per metric ton than anticipated. Despite the shrinkage of whale catches, therefore, the company has succeeded in securing a big profit as projected.

In Northern fishery, the company has attained far better results than others. The two fishing fleets, despatched to the North Pacific, have returned home 20 days earlier than scheduled, and their canned goods are being shipped abroad. Because hauls were exceptionally good for red salmon as in the case of other firms, apprehension is being entertained about the possible piling-up of unsold stocks. Equipped with efficient freezing equipment, however, the two fleets have brought back more frozen salmon than others, restricting the production of canned goods as listed below:

CANNED FOOD OUTPUT BY COMPANY  
(In 1,000 cases)

	Total	Of which, Red Salmon
Nippon Suisan .....	240	145
Nichiro Fisheries .....	850	397
Taiyo Fishery .....	610	343

Note: The figures include production by subsidiaries in all cases.

It can be seen that the company's output has been about one-third that of the two rivals. The evil effects of the unsold stocks, if any, will be less serious for it than for the others. It is true, most of the frozen fish will have to be packed sooner or later, but the company can wait for a good chance for selling and, moreover, some of them may be sold to minor packers.

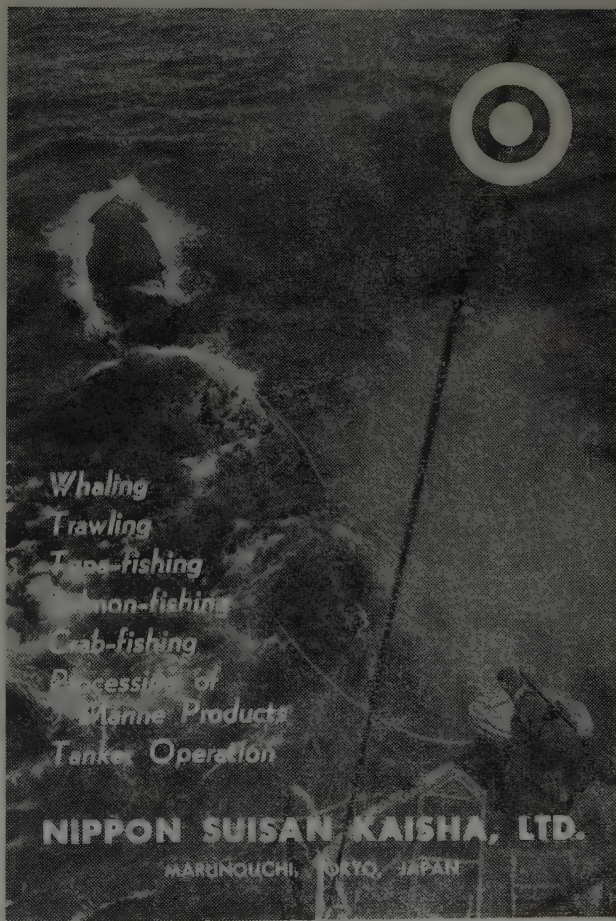
It is well known that, pursuing a very sound policy, the company stands on a very firm rock in every respect. In the six-month business term closing with March, 1957, sales turnover reached ¥8,900 million, and net profit ¥524 million with the profit

rate at 34%. And the dividend was kept at 15%. Business conditions were so encouraging that a bigger dividend could have been paid. But surplus was used to improve the composition of assets. The six-month depreciation fund was set at ¥1,030 million, of which special depreciation comprised ¥140 million. Fishing craft are to be depreciated on such a short term as 3.5 years. The reserve for price fluctuations was upped by ¥350 million to ¥500 million.

Such being the case, the company has been expanding its fishing fleets and equipment on its own account, and its debts are far smaller than those of other fishery firms. It has surplus financing power, so it looks unworried even at the present moment when others are cudgeling their brains about how to cope with the afore-mentioned financial deadlock of Japan Salmon & Trout Joint Sales Co. and the canned red salmon stock problem.

Another promising division is tanker operation. Though the freight market now is weakening, the company has signed charter contracts at favorable rates (USMC plus 80 or 90). A 21,000-ton tanker now under construction is expected to be put into service toward the end of this year, and it will contribute to the company's business results as from next term. Plans are under way to build three more tankers for its own use. It is no doubt this division that the company will continue expanding by all means.

In the current business term ending with September, this year, sales certainly will curve up to near-





ly ¥2,000 million, and profit will rise accordingly. But the dividend will again be kept at 15% with net profit booked at ¥550-540 million. Thus, the company will be well able to improve its assets, and indications are increasing that it will again boost its capital by 50% next spring.

#### *Taiyo Fishery*

Capitalized at ¥4,500 million, this company is operating a very wide variety of fisheries and allied businesses, including 1) whaling in the Arctic and Antarctic oceans, 2) salmon, trout and crab fishing by floating canneries in the Northern waters, 3) tuna fishing, 4) trawling west of East Longitude 160, 5) shipping, 6) ice-making, cold storage and frozen foods, 7) domestic and international trade, and 8) overseas fishing operations. Products available from the first three departments are mostly for export purpose. Besides, the company gets a sizeable amount of products processed by its subsidiaries for overseas sales.

In the 1956 business year closing with January, 1957, the company's sales turnover amounted to ¥32,475 million, of which overseas shipments comprised ¥6,708 million for its own products and ¥1,903 million for products processed by its subsidiaries. Both combined, exports accounted for ¥8,611 million, or slightly over a quarter of the total. Generally speaking, though its share is not very high, export business has been one of the most promising lines

fishery companies must concentrate efforts on. In this respect, this company is no exception.

As already mentioned, however, prospects now are not too encouraging for tuna, salmon and trout. There is no hope that the United States will purchase tuna as actively as in the past years. Salmon and trout fishing is under the rigid Soviet restrictions and, still worse, there is a treaty limit on canned food sales to England, the best client. But outlook is brighter for whaling, for there is left much room for free competition though operations are somewhat restricted for preservation of the whale stock in terms of the numbers of catcher boats and whales to be caught. Within these limits, however, whaling fleets can freely compete with one another, and those with efficient equipment and skilful crew will win the race. It is little wonder that leading fishery companies have been putting particular emphasis on whaling in carrying out their expansion programs in the past years. Even Nichiro Fisheries, which has thus far been specializing in salmon, trout and crab fishing, now is planning to enter into this field as will be explained elsewhere.

For this company, shipping is another lucrative line of business. As soon as the fishing season is over, mother boats for salmon and trout fishing and whaling are operated by the company itself or chartered by shipping interests as freighters or tankers. Thus the company reaped a profit of ¥955.6 million from its shipping department in the past business year, or a gain of 40% over the preceding term. Out of this total, about ¥220-230 million is estimated to have come from the rising of freight rates.

Such being the circumstances, the company now is pushing its plan for further expansion of its whaling and tanker departments, including the purchase of a whaling mother boat, the *Larsen*, and eight catcher boats from England, and the construction of a 33,000-ton super-tanker and a 10,000-ton standard tanker. Funds needed for this purpose are estimated at ¥7,300 million (of which ¥1,050 million has been raised through the capital increase of January, 1957). Of this total, as much as ¥4,000 is for expansion of whaling operations and building of tankers.

Profits from export trade which the company itself conducts appear to add up to a sizeable amount. Out of the afore-mentioned export turnover, such direct trade is estimated at ¥2,980 million. The margin will be greater than in the case of indirect exports via trading concerns, for overhead expenses are relatively small. It is hardly possible to make an exact estimate about how much profit the company is earning from its export business, but the combined proceeds from its export and shipping lines may roughly be estimated at nearly one-third of the yearly profit (¥1,070.5 million in the business year ending with January, 1957).

What prospects can the company look forward to in the current business year? Its Antarctic whaling operations have turned out far more fruitful than



## TAIYO FISHERY CO., LTD.

*President: Kenkichi Nakabe*

*Head Office: New Marunouchi Bldg.,  
Chiyoda-ku, Tokyo, Japan*

*Cable Address:  
OCEANFISH TOKYO*

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bow Trout • Baby Clam

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Founded: 1880 Capital: 4,500,000,000 Yen



those of other firms, and this line is likely to get more prosperous than ever, whereas business will mark time for coastal and Northern fisheries. The shipping market now is rather weak, but the company could enjoy the benefit of the soaring freightage in the first months of the current year. As for tuna, export outlook is not too discouraging. In the field of canned salmon and trout, the afore-said inventory problem is a headache, but it will be possible for the company to make both ends meet if the stop-gap inventory financing is authorized. Besides, the balance of 1956 payments receivable from Japan Salmon & Trout Joint Sales Co. amounts to about ¥2,200 million, which is to be added to 1957's turnover.

Thus, 1957 sales will reach ¥37,000 million with pre-depreciation profit at ¥3,600 million (net profit at ¥1,400-1,500 million). Even after the bold increase of capital in January, 1957, therefore, the company will be well able to keep the dividend at 20%, but it will cut it off to 18% in accordance with its traditional sound business policy.

With the completion of whaling fleets and tankers now under construction, export trade as well as whaling will gain in importance more than ever as from the 1958 business year. As competition is likely to get hotter in Antarctic whaling, the company will bring into full play its well-equipped whalers and tankers.

In spite of the current monetary stringency, the company has already succeeded in raising 62% of the total funds (¥7,300 million) required for its expansion program, and it need not postpone its investment schedule. In all probability, it will again boost its capital by 50% early next year.

#### *Nichiro Fisheries*

This company has such a great stake in Northern fishery that its share quotations fluctuate wildly, dependent upon the amount of salmon and trout hauls. It has been lavishing business efforts for operations in the Northern waters since the postwar resumption of the fishery talks with the Soviet Union, to say nothing of prewar years.

In addition to the poor hauls in 1956, the inventory problem and other issues now loom large for salmon and trout fishing as already mentioned. The company's shares, therefore, now are in a slump.

Last business year, the company sold ¥10,300 million worth and netted a profit of ¥415 million, both far below the scheduled goals, because it was obliged to reduce its fishing fleets due to the strict Soviet restrictions on the amount of catches and because its hauls shrank so markedly that profit conditions worsened. It thus announced to cut down the dividend from 15% to 12%.

In the current business year, export outlook is rather erratic for canned salmon and trout, and money is getting tighter. Whether or not the inventory and financing problems will be solved smoothly is likely to bring about far-reaching reper-

cussions on the company's business. But the results of Northern fishery this year have turned out better for this firm than for other interests. Moreover, its overhead expenses have appreciably decreased as its fishing fleets returned home one month earlier. Hauls have been so plentiful that outlays relative to independent fishing boats under its wings have declined substantially. So the company's accounting will improve markedly. There is every fear, however, that a good deal of canned red salmon will remain unsold, for this sort of salmon accounts for 397,000 cases out of the 850,000-case output in this season. Such being the circumstances, the company may be unable to attain the scheduled goals of ¥12,000 million for sales and of ¥600 million for net profit.

In view of such worsening outlook for Northern fishery, the company is planning to make an entry into whaling business, particularly in the Antarctic Ocean. On June 1, 1957, it called in ¥1,100 million thereby boosting its capital to ¥3,300 million, perhaps with the ultimate object of making preparations for Antarctic operations. In the forthcoming business year, it will invest over ¥1,600 million for business expansion, of which ¥1,350 million is allocated for building and remodeling of cold storage ships and the balance for construction of a big refrigerator and expansion of sausage making equipment at Kurihama, Yokosuka City. These projects appear to have been mapped out not only for salmon and



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trout fishing but also for whaling.

A short time ago, the company worked out a plan up its sleeve to import a whaling fleet from abroad and to merge itself with Polar Whaling (Kyokuyo Hogeï), but the plan was soon given up as time was found not ripe enough for such a demarche. It does not mean, however, that the company has entirely abandoned its scheme for Antarctic whaling but that it has determined to go ahead in this direction slowly but steadily on a long-term basis. The expansion of its freezing craft apparently marks the first step toward this goal and the construction of a 2,000-ton refrigerator at the Kuriahma Plant is another design. This plant is now making 40,000 pcs. of fish sausage per day. As demand is brisk for it, plans are under way to expand the daily capacity to 100,000 pcs. The projected refrigerator is of course intended immediately for this purpose, but it will be used for storage of whale meat in the future. It is said that the company is secretly training harpooners.

About the success or failure of such a whaling demarche, no prediction can yet be made. But it is watched with great interest as it is a new course common to all leading fishery firms. No fear exists that the company will suffer a serious setback in connection with the canned salmon inventory problem, for it has good credit among bankers and pursues a very sound accounting policy. It will refrain from reducing again the dividend by all means.



## THE KYOKUYO HOGEI CO., LTD.

*President, Kota Hoketsu*

*Head Office:* Yusen Bldg., Marunouchi,  
Chiyoda-ku, Tokyo, Japan

*Cable Address:* KYOKUYOHOG EI TOKYO

*T E L:* Tokyo (28) 4621

*Capital:* 2,400,000,000 Yen

*Principal Business Item:*

- Antarctic Whaling
- North Pacific Whaling
- North Pacific Salmon and Trout Fisheries
- Various Kinds of Fisheries
- Canned Foods Production
- Liver-oil Production
- Frozen Foods and Cold Storage
- Shipping

### *Polar Whaling*

As may be noted from its title, the company conducts as main business whaling, thus far in the Japanese and Northern waters, whereas salmon and trout represent a very small portion of the total sales. This year it has undertaken Antarctic whaling for the first time. It usually reaps about 60% of its profit from whaling, including Antarctic operations. Incidentally, it now is capitalized at ¥2,400 million.

Most of the whale oil output is sold abroad. Fortunately, the market is very strong: namely, ¥90,000 per ton for whale oil and ¥95,000 for sperm oil. As for whale meat, the home market is picking up, and the company is enjoying good business also in this division. So it will be little affected, if any, by the gloomy outlook for salmon and trout. Canned salmon and trout production this season amounts to 147,000 cases. Of this total, red salmon comprises nearly 90,000 cases, or no small portion as apprehension is entertained about the possible accumulation of unsold stocks, but the figure is relatively small compared with that of some other firms, ranking fourth among seven leading fishery companies.

Antarctic whaling this year has not necessarily been a good success at least in terms of whale catches. Though particularly careful preparations were made for the first expedition, the company caught not more than 670 whalebone whales against the scheduled goal of 800 heads and only 160 sperm whales compared with the 300-head target. But the shrinkage of the scheduled profit has been fully offset by the greater yield of whale oil, the higher whale oil and meat prices, and the reduction by nearly ¥300 million of the estimated expenditure. As the result, the black balance of ¥500 million before depreciation has been recorded.

In the current business year (ending with October, 1957), the company's hauls will sum up to about ¥8,000 million, of which Antarctic whaling will comprise ¥2,300 million, Northern whaling ¥1,800 million, salmon and trout fishing ¥1,500 million, and tankers ¥500 million. The total compares with last business year's ¥5,200 million. Thus, the profit is expected to reach ¥400 million (the profit rate estimated at 16% against the average paid-up capital) compared with ¥153 million (15%) a year ago.

The company will strive for more efficient Antarctic operations through expansion of its whaling fleet. Two cold storage motherships and two transport boats are under construction or being remodeled. As these will be put into service, the company certainly will attain far better results next year.

Despite the current monetary stringency, the company has smoothly raised most of the required funds for whaling fleet expansion, say ¥3,000 million out of the ¥3,400 million total. Perhaps it will again boost its capital by 50% next year if and when its Antarctic expedition turns out a success.



Nippon Reizo

Capitalized at ¥2,000 million, this company is the largest cold storage firm in Japan with a nationwide network of branches and depots. Its business activities are divided into two departments: i.e. 1) ice-making, cold storage and freezing, and 2) domestic and foreign trade, including transportation. More profits come from the former than from the latter division, and business is dependent on conditions in the fishing industry. If and when fish hauls are poor, proceeds from the cold storage and freezing business will get smaller, and sales will shrink in the trade division.

In the six-month business term ending with January, 1957, the company sold ¥7,020 million worth and netted ¥396 million, or off ¥90 and ¥56 million, respectively, from the preceding term. These decreases were ascribed to the relatively cool weather in August and September and to the shrinkage of salmon and trout hauls in 1956. It must be noted, however, that the contraction of profit cannot be regarded as a serious one compared with the scale of management, and that pursuing a very sound business policy, the company appears to have booked a rather moderate profit and thereby to have bolstered its assets. Thus, though the profit rate dropped from 56% to 47%, the company could easily keep the dividend at 16% as ever before.

In carrying out its expansion program, too, the company has carefully been following its traditional sound policy. For instance, the daily capacity of its ice-making, cold storage and freezing plants have been expanded slowly but steadily as shown below:

NIPPON REIZO'S CAPACITY EXPANSION  
(In metric tons per day)

	Jan., 1957	Jan., 1956	Jan., 1955
Ice-making .....	5,321	5,210	5,150
Cold Storage .....	67,910	59,753	58,762
Ice Depots .....	111,165	107,725	106,078
Freezing .....	488	472	474

The company now operates about 200 local offices, depots and plants in the whole country. And it is expanding and improving those in major cities. Utmost efforts are being concentrated upon the expansion of cold storage facilities as may be noted in the above table. This is because of the growing demand for dairy products, particularly ice-cream which must needs be made before the hot season and kept in cold storage to meet the ever-rising demand. For this purpose, it is necessary to construct such first class refrigerators as can keep the temperature at 20 degrees below zero. It is such refrigerators that the company is now expanding vigorously.

Generally speaking, cold storage equipment will be used increasingly abreast with the improvement of daily diet and the elevation of the living standard. In this respect, the company will play a more important role than ever because it now accounts for 21.2% of the nation's total capacity for ice-making,

11.6% for cold storage and 5.9% for freezing. Contributing to the better business in the current term are newly-built or improved plants at Shizuoka, Hamamatsu, Mito, Machidoki, Kanda and Akashi (the last three located in Tokyo).

In the February-July term, business used to be less active than in the preceding term. This year, however, the company's sales in this period appears to have aggregated ¥6,600-6,700 million, netting a profit of nearly ¥400 million, or well comparable with the results six months ago. Thus, the dividend certainly will again be kept at 16%, though immediately after the increase of capital to ¥2,000 million.

As part of its expansion program, the company originally planned to build a new plant at Yokohama and to enlarge the Konohana (Osaka) and Shiratori (Nagoya) plants. In view of the current tight money, however, it will refrain from any reckless expansion except the construction of the Yokohama Plant.

Last but not least, the company is striving for steady development of overseas activities. On Samoa Island, tuna fishing and canning is making smooth progress. In Brazil, tuna fishing will be started before long. In the United States, a subsidiary has recently been set up at Boston for processing of tuna as beef substitute. Undertaken in cooperation with foreign interests, these enterprises abroad can look forward to encouraging prospects.

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## NIPPON REIZO KK.

Cable Address: "NICHIREI TOKYO"  
Head Office: No. 8, 3-chome, Minato-cho,  
Chuo-ku, Tokyo, Japan  
President: KOJIRO KIMURA  
Capital: 2,000,000,000 Yen  
Branches: 15      Plants: 184



# Raw Materials for Iron & Steel

*By Shigeo Nagano*

FOR sometime after the surrender in 1945 the Japanese were faced with uncertainty as to how they should make a living; and there ensued a short period of stunned apathy. Presence of mind was soon recovered however, and people began to return to their work. Still vivid in our memories is the dogged determination with which they set themselves to the forbidding task of reconstruction.

## Iron and Steel Production

Like most other industries, the producers of iron and steel were not able to achieve very much during the immediate post-war months. In fiscal 1946-47 (ended March 31, 1947) the production of pig iron stood at only 218,000 metric tons, while 648,000 tons of steel ingot and 320,000 tons of steel products were turned out. In fiscal 1948-49 the figures were respectively 1,001,000 tons, 2,093,000 tons, and 1,230,000 tons; while in fiscal 1951-52 production was up respectively to 3,383,000 tons, 6,872,000 tons, and 4,714,000 tons.

In 1955 there was a jump to 5,440,000 tons, 9,791,000 tons, and 6,898,000 tons; and in 1956, with demand stimulated by world and domestic prosperity, there was further advance to 6,288,000 of pig, 11,673,000 tons of steel ingot, and 8,237,000 tons of steel products. Thus in ten years the industry had not only fully recovered from the setbacks of war, but had become comparable in most respects with the iron and steel manufacturing operations of the leading nations of the world.

Having attained such a position, the steelmakers of Japan were able to sell a considerable amount of their product abroad. Of the total export volume of \$2,010,000,000 in 1955, iron and steel products made up \$259,000,000, or 12.9 percent. To this there must of course be added such items fabricated of steel as ships, rolling stock, and machinery, to bring the overall total up to about \$700,000,000-worth of iron and steel. This goes to show how important the iron and steel industry now looms in connection with Japan's export trade.

The industry, naturally, is proud of this achievement, but it is far from satisfied. In order to meet the growing requirements of the immediate future intensive effort is being directed toward improvement of facilities for bigger and better production. All the major iron and steel companies are planning for the future with an irrepressible eagerness to turn out high quality products at low cost in adequate volume to meet both internal and external demands, and to provide the basis for sound growth of the nation's industrial capacity.

The current prediction for fiscal 1957-58 sets production of pig iron at 7,075,000 tons, of steel ingot at 12,920,000 tons, and of steel products at 9,090,000 tons. The production level of fiscal 1960-61, although subject to world economic trends and other conditions, will be, on the basis of current thinking, in the order of about 10,370,000 tons of pig, 17,000,000 tons of steel ingot, and 11,800,000 tons of steel products.

## Raw Materials Supply

With production at the level mentioned above, the cost of raw materials comes to more than 80 percent of the total cost of product. Before going in to into the plans for future procurement, it may not be out of place to explain briefly the conditions bearing upon supply to date of the more important raw materials for iron and steel production.

The key raw materials for steel production are iron ore, coal, steel scrap, and limestone. Severely handicapped in availability of natural mineral resources except limestone, Japan must import the bulk of the raw materials for iron and steel from abroad. This, of course, is true also for most of Japan's other industries. The biggest change is conditions encountered by the iron and steel industry of Japan after the war was the shift in sources of supply of the key raw materials.

Before the war, iron ore came mainly from Tayeh, in Central China, Hainan Island, and the Philippines. Coking coal was brought in from Manchuria and North China (Kailan). But after the advent of the communist regime in continental China these major sources of supply were cut off, with a mere trickle of coking coal coming in from the Kailan mines. Consequently, the bulk of the coal is now purchased from North America; while iron ore is brought in from the Philippines, Malaya, and India, with Canada and the United States called upon from time to time to maintain the supply at an adequate level.

The ash content of North and Central China coal obtained before the war was high. So washing had to be done at the iron works, and the efficiency was considerably lower than was generally known. Only after high grade coking coal became available from the United States was the high efficiency of low ash content coke truly appreciated. Furthermore, the change in source of coal from North China to the United States brought about no disadvantage cost-wise (in the past year or so, however, the high ocean freight charges have increased the cost of United States coal, and China coal may now have an edge).



In the case of iron ore, the trans-Pacific ocean freight rate makes it definitely disadvantageous to depend upon American ore; and the sources of supply are now Larap in the Philippines, Goa, and Malaya, where positive effort is being made by Japanese steel producers to develop the mines. In consequence, the dependence on North American sources has diminished considerably since about 1953.

As for steel scrap, for about four years after the end of war, the vast quantities of scrap, resulting from war damage (including sunken vessels) provided an adequate supply (at that time, export of steel scrap to Japan from the United States was contraband). But with the expansion of steel production and the growth of requirements, there began a rush to buy scrap in India, Indonesia, Malaya, and the Pacific islands where abandoned or destroyed war material could be found. This led to intensive competitive buying among the Japanese steelmakers.

The result was a boosting of end prices, and because this tended to go against the public interest the iron and steel industry voluntarily organized a system of joint purchasing of steel scrap. In 1955 an application was filed with the Fair Trade Commission for permission to engage in "joint action for procurement of steel scrap." The permit for such cartel formation was granted on April 1, 1955. Prior to this, in 1953, the United States Government, in view of the stabilizing of world conditions subsequent to the Korean War, acceded to Japanese requests for the lifting of the ban on sale to Japan of steel scrap.

Although the purchasing cartel was formed to mark a step forward in rational procurement of scrap, the action in itself could not increase the supply. There remained in consequence some anxiety as to sufficiency of supply in the light of the growing demand for scrap. This was mainly because of the uncertainty as to how much would be made available by the United States, the only nation capable of furnishing scrap in amounts big enough to assuage the worldwide demand.

The writer therefore as representative of the Japanese steel industry, personally visited with the United States authorities and was assured that there was no intention of discriminating against Japan, and that the treatment accorded to the United Kingdom and other European nations would apply. Negotiations are now under way on the basis of this understanding, and it is believed that a decision on the quota of scrap to Japan will shortly be made.

#### Future Raw Material Supply

Mention has already been made of the estimates or thinking with respect to production in the future. The problem, naturally, becomes that of securing the raw material supplies necessary to make such production feasible.

The situation in regard to scrap, it is believed,

does not present much of a problem. Steel scrap, among the raw materials for steel, has been the most costly of all raw materials as compared with other nations (domestic price of special grade 1 scrap—Japan, ¥18,500 per ton; West Germany, ¥12,960; United Kingdom, ¥7,920; United States, ¥14,000). For ability to furnish low-cost steel to the domestic market and to overseas customers, it is extremely disadvantageous to have to be dependent on import of United States scrap, which is most easily affected by market conditions.

This fact was brought out vividly by the recent negotiations for adequate allocation of United States scrap. As solutions of this problem are suggested such methods as 1) increase in blast furnace capacity, 2) adoption of the oxygen process of steel-making, and 3) increase in converter capacity to bring about a drastic reduction in scrap steel requirements. As can be gathered in considerable detail from the second "rationalization" plans made public by the iron and steel companies, the use of scrap in open hearths should be reduced from the 50 percent of heretofore to from 25 to 30 percent.

Simultaneously, because boosted output of steel products should result in increased amounts of self-generated scrap, it is believed that scrap purchases will not increase even with expanded production. (Of the 9,840,000 tons of scrap purchased in 1957, 3,020,000 tons will be imported. In 1960, imports will be 3,140,000 tons as against the 11,590,000 tons required, while in 1965 it is estimated that only 2,410,000 tons will be imported as against the requirement of 15,160,000 tons.)

As for iron ore, it is obvious that considerable effort will have to be made to ensure adequate supply. But it can be said that with matters as they now stand the situation appears satisfactory. The ore now purchased by Japan is not any more costly than the iron ore going to Europe or the United States (1954 c.i.f. price of iron ore—Japan, \$13.23 per ton; United Kingdom, \$14.13; West Germany \$13.44). The trouble, however, is that iron ore is not a manufactured product, and as exploitation goes on the available reserves decrease unless exploration and development are carried out simultaneously. Domestic iron ore is available at the rate of about 1,000,000 tons to 1,100,000 tons per annum, while the supply of sand iron and sulphuric acid slag stands at about 2,000,000 tons.

Because these sources of supply cannot be easily expanded, it becomes necessary to obtain all other supplies from overseas. Because continental China has ceased to be a source of iron ore, purchases must be made from the Philippines, Malaya, and India. Some of the Filipino mines were discovered and developed by Japanese interests before the war (Larap, Temangan, Srmedan, &c.; but it was not until 1955 that largescale development of new mines outside of Japan was undertaken by the Japanese. Among these are Ipoh and Rompin in



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Malaya, Sibuguey and Bulacan in the Philippines, Vancouver Island in Canada, and the large-scale developments in India and Brazil. Detailed surveys and investigations are still lacking, so it is difficult to say just how much ore will be available. But with the ore imports of 1957 estimated at say 9,270,000 tons, the plan for 1960 will be to bring in 14,240,000 tons; and since preparations must be made now if this quantity is to be realized, the steel-makers of Japan have organized an overseas resources committee to undertake basic investigations in connection with the matter.

With the sources of supply tending to become more distant with the growth of requirements, the delivered cost becomes higher because of ocean freight. In order to reduce the freight cost as much as possible the transportation and handling problem must be resolutely tackled. The possible methods are: 1) improvement of loading and unloading facilities; and 2) use of special bottoms for ore carriage. Details regarding the use of a special ore fleet will not be elaborated upon at present, but it is obvious that for long hauls the use of mammoth ships is the most economical. Another problem related to ore supply is the fact that the using up of high grade ore lowers the grade of available reserves. The worked out mines are reduced to only low-grade ore or tailings. This is not a reasonable method for long-range operation. Consequently, we should, as it is being done in the United States and other countries, go into intensive study of the ways and means of utilizing tailings and low-grade deposits.

### Coal Problem

Turning last to the problem of coking coal, the question hinges primarily on domestic production of suitable coal. The relationship between iron and steel and the coal industry is indissoluble, and no matter what plans the former has for the future, it can get nowhere without the cooperation of the latter. Because the Japanese coal mines have never produced much high coking coal, the iron and steel industry has become accustomed to foreign sources of supply.

Importation of coking coal will inevitably increase with boosted production of iron and steel (coal imports for fiscal 1957-58 will amount to 3,720,000 tons; in fiscal 1960, 5,300,000 tons). If it turns out that the domestic coal industry cannot supply all the low coking coal that will be needed, then further importation will have to be resorted to, and the cost of coking coal (1954 price: Japan, \$17.50 per ton; United States, \$5.51; United Kingdom, \$8.41; West Germany, \$12.02) will increase. This would be extremely disadvantageous for export sales of Japanese steel products. In this sense, it is believed that the key problem in connection with raw materials supply and cost of product in the future is that of coal.

*(The writer is president of the Fuji Iron and Steel Co., Ltd.)*



## Kaleidoscope

**Household Electrical Appliances:**—The number of people using household electrical appliances including television sets and electric washers has been growing at an amazing pace. This helped very much to raise the living standard of the general public. Thus concluded the market researchers of Japan Electrical Machinery Association after they wound up their wide range surveys on August 7. According to the published reports, the popularization rate of fluorescent lamps is 42.2% with 7.6 million households out of the total 18 million families taking advantage of the new kind of lighting, while one out of every ten households now uses electric washers, the number of active washing machines being 1.9 million. More than 2,350,000 households now have electric fans, while 520,000 television sets are installed all over the country. This is close to three televisions for every 100 families. The popularization rate of electric refrigerators is one for every 100 households. One thing to be noted here is the fact that the popularization rate is high in the city area, especially in the congested apartment housings.

**Rolling-Stock Production:**—According to the report published on August 1 by the Ministry of Transportation, the total production of rolling-stock in fiscal 1956-1957 amounted to 31 billion yen—34,987 freight car equivalent. This is an increase of 43% over the previous fiscal year and by far the post-war peak. Some 71% of the total was for the domestic market, while the remaining 29% was bound for overseas destinations. By types of cars, steam engines accounted for 10% of the total, electric engines for 16%, passenger coaches for 46% and freight cars for 28%.

**Farmers Better Off:**—The Ministry of Agriculture & Forestry published on August 8 a report of post-war farm living entitled "Improved Farm Living in Post-war Years." The report tried to capture the salient changes brought about in the farm area in the post-war period against the background of pre-war statistics. Main features of the report are: Japan's farming methods and the living standards of common farmers have steadily been improving despite the severe blow suffered at the end of the war in such forms as the shrunken farm area and abnormally swollen number of farmers. Farm production grew to 118.4% in the 1954-56 average against the pre-war levels (1933-35). Naturally farm productivity per capita unit has gained, while the productivity per work-hand still lags behind the prewar average. Farmers' living standard has also made a great stride with as much as 50% growth being witnessed in the 1954-56 real income over the 1934-36 average. Farm expenditure has also been swelling year after year and a 34% increase was recorded in 1956 over the pre-war average. Noteworthy fact here is that farmers' spending pattern is now very much healthier than it used to be. In pre-war days, most of the spending was bound for foods and drinks with only less than 10% being disbursed for clothings. Now more than 13% of the farmer's total expenditure is for clothings and more and more is spent for non-staple, luxury foods instead of solely for staples. Another thing that gave farmers' living standards a boost is the increase in income from non-agricultural activities. This is mostly salaries and wages earned by some of the family members of the farm household. In the pre-war days (1934-36), the income from non-agricultural activities accounted for 26%, while in 1953-54, the figure mounted to the height of 37-38%.

**Socialization of Industries:**—The Socialist Party announced on August 10 its socialization plan of key industries when and if the party took hold of the Government. The first round of nationalization move would include, according to

the statement, such energy industries as electricity, coal and nuclear power and such important financial establishments as the Bank of Japan. The Party is laying a great emphasis on its promise give ample compensation to those concerns that are planned to be nationalized.

**Shipping Firms in Quagmire:**—Shipping fees which have been on a steady downcurve since spring have finally hit so low that some of the Japanese freight services had to be curtailed. Main reasons for the unfortunate occurrence are: 1) reopening of the Suez Canal enabling the European countries to buy Middle East oil more freely, thus relieving much of their dependence on the American coal; 2) bumper crop expected for 1957; 3) reopening of Suez caused some of the Atlantic fleet pouring into the Pacific in search of better profits; 4) Government's current foreign exchange measures curtailed the importation of such items as coal, iron and steel; 5) over-hiring of foreign freighters by Japanese shippers.

**Lung Cancer and Hiroshima:**—Reports are afoot that in the atom-bombed city of Hiroshima, there is an accelerated growth in the number of lung cancer cases in recent years. According to the Health Department of Hiroshima City, the lung cancer death rate in that city was only 1.4% per 10,000 heads in 1950 but the figure suddenly rose to 7.3% per 10,000 in 1956. The health center concludes that in view of the fact that lung cancer deaths occur mostly among those who suffered from the atom-bomb blasts, lung cancer has much to do with radioactivity.

**Labor Productivity Improvement:**—How is the labor productivity improvement shaping up these days? The Ministry of Labor has been looking into this problem and has recently come up with the following answer: that in all except a few sub-divisions in pulp industry, labor productivity showed a considerable improvement. Against 1955 bases, iron smelting required 6% less hours to produce a certain unit of finished goods; rolled iron and steel, 9% less; ammonium sulphate, 11% less; cement, 19% less; staple fibres, 11% less; rayon filament & yarn, 16% less; pulp (dissolved), 15% less; paper, 4% less; carbide, 10% less; tires & tubes, 10% less; soda (electrolytic), 20% less; automobiles, 20% less; electric machinery, 25% less; cotton spinning, 12% less; and woollen spinning, 15% less.

**Decreasing Plant Investment:** Government's current tight-money policy has had a great deal to do with the toning-down of machinery orders from the local industrial circles. According to the Economic Planning Board survey published on August 13, the actual machinery orders from the local industrialists dwindled by 28% down to ¥35.8 billion from the previous month's figure. The quarter-year average from April to June proved to be 22.9% less than that of the quarter year starting from January through March.

**Production, First-Half, 1957:** According to the Ministry of International Trade & Industry, the mining-manufacturing index (1950=100) for the first half of 1957 stood at 282.9, a growth of 23.3% over the previous year. Especially remarkable in their production boost are: iron & steel (21.5% increase); machinery (57.7%); steel ships (50.9%); railways rolling-stocks (37.1%); textiles (21.3%); oil products (29.0%). Of the 23.3% increase, active plant investment accounted for 16.8%, imports, 3% and every day consumption 3.5%. This is a clear indication that the plant investment boom was still prevalent in the first half of 1957 despite the Government's tight-money policy.



## Glimpses of Japanese Culture

# Woodblock Printing in Japan

By Shiko Munakata

The art of woodblock printing is a very old one. Ancient literature tells that even in Tenpyo Era (729-49), there was woodblock printing in existence. Now Japan is often called the "country of woodblock prints" by world connoisseurs and this is rightly so in that this particular art form has been kept alive among the people for more than a thousand years and that Japan has produced some of the finest woodblock prints in the form of *ukiyo-e*.

In the earliest stages, however, woodblock prints were naturally not what they are today. They were, in a word, more religious than artistic in nature. Most of them represented Buddhist sutras and were distributed to those who made offerings to the newly built temples or shrines. Oldest of this kind is perhaps those made upon the completion of the now famous Horyuji Temple in Nara. The prints were usually kept in miniature pagodas whose necks can be removed to put in or take out the printed sutras (see figure 1). Sometimes, characters on the prints are old and unintelligible now. Pure hand-made papers were usually chosen to be the carriers of great sutras. About this time, a printing instrument called *baren* had already been invented. This instrument surprised the Westerners much later as the simplest printing trick in the whole world.

Much later, woodblock artists came to carve and print portraits of great men including *Shotoku Taishi*, one of the influential court figures of the day. Under the portraits, it was usually printed that the portrait was for so-and-so for his generous offering of so much money or rice, denoting that the woodblock prints were some kind of talisman or receipt in exchange for religious offerings. Those portraits would probably be the first of woodblock prints in the modern sense of the word.

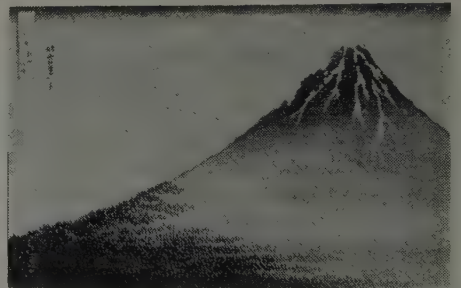
Thus, the origin of woodblock prints is completely different from that of pictures. One of the inborn characteristics of the woodblock printing is that the art has come in existence out of necessity rather than for mere appreciation. Woodblock printing, in other words, is an art for the general public in that it is directly related to the religious life of the common people and that endless copies can be made of a picture to assuage public demand.

One of the representative "religious" prints are those placed in the hallow bodies of Buddhist images. While usually woodblock prints are made by putting a sheet of paper

on a woodblock and rubbing the paper with a colored *baren*, this particular print is created in quite a reverse manner—namely by stamping papers with woodblocks. To meet the growing need, the woodblock artists seemingly went through this process in a great hurry. In some places, images were blurred because the ink used was not thick enough, while in other places, figures were shaky and crooked due to the extreme haste with which the artists worked. This inadvertent deformations, in turn, produced a singular familiarity and beauty that have endeared the woodblock prints to the heart of the general public. It can be safely said that in these "religious" prints, the best of the gentle and soft nature of woodblocks is achieved. You are hard-boiled indeed if you have no emotion welling in your heart when you see a tiny Buddha sitting self-importantly in the center of a lotus flower, his eyes, nose and eye-brows mere points of a brush. These images are charming beyond human expression.

It must be noted here that those woodblock prints were made by no professional artists. Most likely, priests in their leisure seemed to have set upon the inadvertent task of being the pioneer of this particular art form which has since been held endearingly in the heart of the general public. The fact that the woodblock printing was invented and mostly pursued in its early stages by laymen, not professional artists, is very important in understanding the true nature of the art.

It was in the Kamakura Period that portraits of gods of Buddha became the subjects of woodblock printing in their own right. Before that, the images were decidedly secondary to the characters written on the same block.



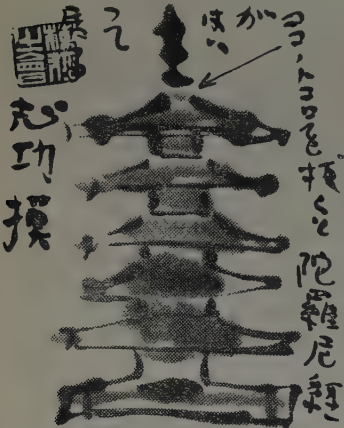
3. Red Fuji by Hokusai

It was only natural for the common people to try to substitute the traditional sculptural images of gods and Buddha with much simpler woodblock prints of them. And to the priests and other religious people, the idea of spreading their faith from coast to coast through the convenient method of woodblock prints must have been almost like a revelation.

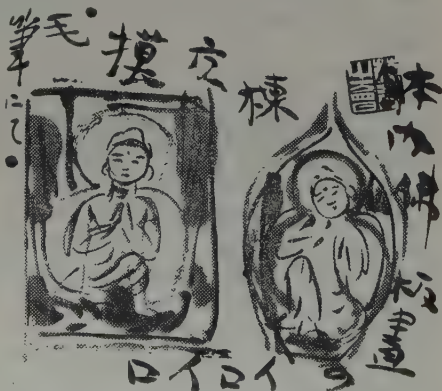
The appearance of *ukiyo-e* in later period gave another boost to the accelerated rise of woodblock printing in the wide horizon of art. This peculiar art of *ukiyo-e* had been unknown to the outside world for quite a long time until about 50 years ago when the foreign connoisseurs of art, mostly French, recognized the tremendous value of the Japanese art.

It was during the Edo Period (1603-1869) when the masters of *ukiyo-e* such as Moronobu, Harunobu, Kiyonaga, Sharaku, Utamaro, Toyokuni, Hiroshige, Hokusai and others uplifted the art of woodblock printing to the level of honored seat of pictures. The beauty of *ukiyo-e* is the beauty composite of Japan. It is the poetry incarnate of yesterday's Japan. It is at once pure and gorgeous; sophisticated and rough.

As you may probably know, a woodblock print is a harmonious creation of three co-workers—a painter, an engraver and a printer. So when you say "This is Moronobu's *ukiyo-e*", you mean that Moronobu painted the original picture. The importance of an original picture cannot be slighted of course, but the role played by the engraver and the printer is hardly less important. However beautiful the original picture may be, it would not be worth a red cent if the engraver and the printer messed the thing up. I am myself a painter, engraver and printer at the same time and I know from my own experience how important a part the engraver and the printer play. I deeply sympathize with those engravers and



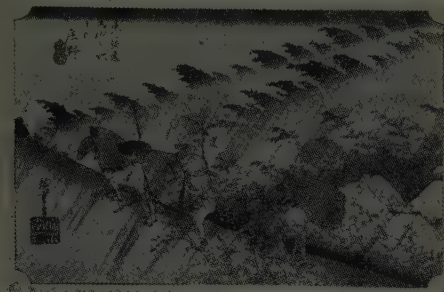
1. Picture of Miniature Pagoda. The arrow sign indicates the place you can take off to put in or pull out a sacred sutra.



2. Woodblock Prints of Buddha Reproduced by the Writer.



printers who patiently traced the meticulously beautiful pictures of the *ukiyo-e* masters. They must have had techniques of a god and the sentiment of a goddess. Especially in the original pictures of Utamaro and Hokusai, such difficult techniques as "*sabi*" (a sort of shading) and "*karazuri*" (a sort of delicate coloring system) are amply used to make the



4. *Shono* by Hiroshige

culty was the same, if not greater. It must have shortened the lives of the engravers and the printers to try to produce the delicate colorings of the master artists.

Engravers and printers of the time considered themselves to be artisans rather than artists and had no pretensions whatsoever. They were not involved in any artistic arguments nor were they troubled by the gnawing desire to get known. *Ukiyo-e* masterpieces were possible only through this total negation of will on the part of the engravers and printers. *Ukiyo-e* master is beyond trifling self-confidence with which many artists of today or any time is so much troubled with.

Hokusai pictures are no exception in their difficulty to be translated to the woodblocks. Take the famous "Red Fuji", one of his masterpieces. If you were careless only for a fraction of a second, the merging of red and green at the foot of the great mountain would turn into an abominable combination of crazy colors. Only a self-effacing genius with a god's equipments can produce the superb pigmentary effect we now admire in the old master's picture.

Hiroshige picture is another case in point. Among his famous "Fifty-three Post Towns on the Tokaido Road" series, there are two sketches entitled "Shono", Shono being the name of a provincial town (see Figure 4). In one picture, rain is whipping down on the hurrying travelers, while in another, snow is silently blanketing the bamboo clusters. Both pictures are among the very best of Japan's *ukiyo-e*. Especially the techniques used in printing the fast-falling rain is superb beyond expression. Engravers and printers must have loved Hiroshige's pictures more than Hiroshige himself to turn out such brilliant specimens of *ukiyo-e* prints.

I am a little bit embarrassed to have to praise the works of engravers and printers again and again, but that shading of sky that Hiroshige and Hokusai often used to such amazing advantage would not have been so rewarding had it not been for the excellence and patience of the conscientious engravers and printers. And their work is all the more propitious in that Hiroshige and Hokusai stand the chance of being perpetuated in the world of art mostly because of their wild imagination that produced the inimitable shading of sky.

I have been following the history of Japanese woodblock

engraver's and printer's work doubly hard to tackle. But the indomitable artists surmounted all those difficulties and produced masterpieces of great beauty and integrity.

With Sharaku and Hiroshige, diffi-



5. *Yakko Ippai* by Sharaku

prints, laying chief emphasis on the importance of hitherto neglected contribution of engravers and printers to the art of *ukiyo-e*, and I hope that you have now a rough idea of how and by whom the magnificent art of *ukiyo-e* has come into being. This tradition has been carried further toward maturity by such deft-handed Meiji artists as Toyokuni, Yoshitoshi, Eisen, Denzen and Kiyotsuka. Unrivalled magnificence of Toyokuni and passionate coloring of Yoshitoshi were the last flaming-up of the now dying *ukiyo-e*.

Ponderous eroticism of Eisen and passionate longing for the Western style of art of Denzen and Kiyotsuka were the beautiful bridge spanning the modern style of woodblock printing and the ancient tradition of *ukiyo-e* prints. Out of this were born such giants of today's woodblock art as Koshirō Onji, Tsuruzo Ishii, Kanai Yamamoto and Kogan Tobari, who got together to form a group devoted to the study of modern woodblock prints.

"A Woman Combing" by Koshirō Onji, "Mountains" by Tsuruzo Ishii, "Hills of Bretagne" by Kanai Yamamoto and "*Ohashi*" by Kogan Tobari were some of the representative works of the period.

In the footsteps of these pioneers, such woodblock artists as Kihachiro Shimozawa (Clouds and Willows), Unichi Hiratsuka (Castle-Tower), Chosei Kawakami (A Summer Breeze), Kishio Koizumi (A Thousand Views of Tokyo), Sakai Kawanishi (Carmen), Toru Henmi (The Cactus Beach), Sakuichi Fukazawa (A Landscape with a Telephone Pole), and Susumu Yamaguchi (Taisho Pond) blossomed to add to the variety and color to the art.

Kazuma Oda (A Catholic Church in Niigata), Giro



6. *A Castle-Tower* by Unichi Hiratsuka

Nagase (*Hojin* on a Certain Day), Inosuke Hazama (Flowers), and Yasunori Taninaka (A Lion) were also active at the time.

Ryusei Furukawa (A Composition of Flowers), Masao Maida (A Pine-tree and a Cat), Umetaro Azechi (A Landscape), Junichiro Sekino (A Harbor), Tadashige Ono (A Landscape with Plum Trees), Ko Nagare (Landscape with a Corral), Suika Munakata (Landscape with a Camellia Tree), and Kihei Sasajima (Landscape with the Sea) came into the scene just after the first two groups. During the interim, three associations of woodblock artists and lovers—Japan Creative Woodblock Printers' Association, *Zokei* Woodblock Prints Association and Japan Woodblock Institute—came into being to facilitate the intercourse between the artists closer for mutual benefit.

Kiyoshi Saito (A Clay Image), Tetsuro Komai (Fish), Katsu Kiuchi (A Woman), Tamiji Kitagawa (People and a Cow Shed), Boubnowa (A Fishmonger's Wife) Yozo Hamaguchi and Chimei Hamada are some of the representative woodblock artists now actively engaged in trying to keep the centuries-old Japanese woodblock printing high in the international esteem. Thus, Japan's woodblock printing has been flowing in a beautiful stream without any interruptions from the Tenpyo Era down to the present-day.

(The writer is an expert woodblock print artist, winner of the Grand Prix for Woodblock Prints in the 28th Biennial Art Festival at Venice, professor in woodblock printing at Musashino University of Fine Arts and Women's University of Fine Arts both in Tokyo.)



## Foreign Trade

### Volume of Letters of Credit

Apparently the successive steps to curb imports, which had rapidly grown to out-distance too far the growth of exports, gradually worked to restore Japan's international payments situation towards equilibrium. Letters of credit for exports and imports have drawn near to balance.

Letters of credit for imports greatly decreased in June from May, and continued to decline in July. Letters of credit for imports amounted to \$210 million in July, less than the amount in July, 1956. On the other hand, letters of credit for exports which did not amount to much in June recovered to reach \$209 million. Thus some expect that by around October monthly foreign exchange receipts and payments would be restored to balance.

#### 1. FOREIGN EXCHANGE (\$1,000,000)

	July, 1957	Increase or decrease	Jan.- July 1957	July, 1956
Receipts ....	317	31	2,071	1,840
Exports ..	241	25	1,557	1,382
Invisibles..	76	(4)	514	458
Special procurement	50	(5)	327	329
Payments...	418	19	2,572	1,603
Imports ..	367	27	2,201	1,343
Invisibles..	51	(8)	371	260
Balance ....	101	12	501	237
Commodity Trade ..	126	8	644	39
Invisibles..	25	4	143	198
*Deferred Payments..	(39)	(28)	82	126
Net Balance..	62	40	583	111

Source: Bank of Japan.

\* Increase or decrease. ^ Adverse.

#### 2. LETTER OF CREDIT (\$1,000,000)

	Exports	Imports
January .....	209.3	238.5
February .....	202.3	289.3
March .....	226.6	272.4
April .....	212.5	303.3
May .....	220.2	320.9
June .....	186.8	229.1
Average Jan.-June, 1957..	209.7	275.6
	(178.0)	(192.4)
July .....	209.6	210.1
	(185.2)	(213.2)

Note: Parenthesized figures are for the corresponding periods in 1956.

Source: Bank of Japan.

### Relaxed Restrictions on China Trade

The government's decision to relax the restrictions on the China trade down to the level of the restrictions on the trade with the Soviet Union and the East European bloc was put into effect as from July 22.

The COCOM list of embargo on exports to the Communist bloc is largely divided into I the list of arms, II the list of

atomic energy equipment, III the international list, and IV the China special list. The international list is further divided into three groups: Group (1), (2), and (3) according to the strategical weight of goods. Of these groups of goods, those belonging to the lists I, II and the Group (1) of III have been completely banned in the export to all the Communist areas, including the Soviet Union, Eastern Europe, and the Chinese mainland. Of exports to the Soviet Union and Eastern Europe, those belonging to (2) of III have been subjected to an allocation system, and those belonging to (3) of III have been required only to be reported to the COCOM after exportation.

#### 3. EXPORTS TO CHINA (\$1,000)

	1955	1956	Jan.- June 1956	Jan.- June 1957
Iron & Steel ....	608	1,558	1,492	461
Chemical Fertilizers.....	8,991	14,159	9,111	11,913
Cement .....	—	5,761	1,900	—
Farm Chemicals..	183	3,033	1,433	550
Inorganic Industrial Chemicals	4,464	578	367	422
Pharmaceuticals	1,403	1,956	589	1,489
Chemical Textiles	4,736	5,222	1,914	2,294
Other Textiles ..	1,200	8,486	489	2,397
Spinning & Weaving Machines..	817	3,094	644	1,253
Transport Machines ....	8	3,044	106	750
Total .....	28,230	67,737	22,369	28,844

Source: Finance Ministry.

Much more severe were the restrictions on the China trade. Not only the goods listed in the China special list, but also those listed in (2) of III were prohibited from exportation. Of the latter which consists of 25 items, there were exceptional cases of allowing exportation, but then the consent of the Cocom member countries had to be obtained beforehand. Also exports to China in the (3) list of III were obligated either to get the COCOM consent before exportation or to report to the COCOM afterward.

The items that have been allowed to be exported to China since July 22 included the 207 items of the defunct China special list and the 65 items of (3) of III, totaling 272 items. The main goods in the items are:

*Metal process machines*, a wide range of items except large scale machine tools and precision machines for manufacturing arms; *Equipments for chemical and petroleum industries*, plants for fertilizers and synthetic fibres being expected to be exported briskly; *Electrical appliances and generators*, of which those having

more than 5,000 kw capacity are still on the embargo list; *Industrial machinery*, civil engineering machines, mining machines, etc.; *Transportation equipments*, of which general fishing boats are restricted to those within 15 meters in length, and steel boats for tuna fishing within 40 meters, and rolling stock except for big-size freight cars and automobiles except for those whose engines can directly be geared to all wheels can all be shipped to China; *Electron-tube-applied devices and precision machines*, telephone exchange equipments, teletypes, fish school detectors, metal microscopes, surveying instruments, etc.; *Metals and manufactures thereof*, most iron and steel products, copper wire, lead and zinc products, etc, of which most of bearings are either on the allocation list or required to report afterward; also included are *Chemicals and rubber and rubber products*, vinyl chloride, tires, tubes, etc.

### China Trade on Trial

The lifting of embargo on these items of goods has given possibility to promote Japan's trade with China. But there are still many obstacles ahead.

For one thing, it is not Japan alone that relaxed the restrictions on China trade. On the contrary, Japan has merely followed the chief member countries in Europe in this respect. Furthermore, Japanese exports of machinery to China now to be allowed are priced relatively higher than those from European countries.

Secondly, the present Administration is entirely dependent on the United States in its basic diplomatic and trade policies in spite of its declaration "to expand the trade with China". It has continuously refused to take any steps that would virtually recognize the government of the People's Republic of China. Thirdly, and this is not the least important, the economic construction of China has not been smoothly progressing and she has not developed enough agricultural and mineral exports in order to afford a great deal of imports.

Nevertheless, as far as the first half of this year (Jan.-June) is concerned, Japan's trade volume with China tended to grow continuously from 1956. During this period, Japan's exports to China registered in the customs entry reached \$28.8 million, an increase of 29% over the corresponding term of 1956.

Imports from China similarly reached



\$44.3 million, exceeding the like period of 1956 by 12%. Major exports were chemical fertilizers (comprising 41% of the total exports to China), fabrics, medical supplies and pharmaceuticals. Compared with the like period of 1956, noteworthy growth has been registered in the inorganic industrial pharmaceuticals, transportation equipments, electric machines, textiles groups. But cement which was greatly exported in 1956 was not shipped at all this year. Major imports include soy beans, pulses, salt, magnesias, clinker, and pig iron which was imported in order to relieve the shortage in Japan.

If exports to China continue to grow at the same rate as in the first half of the year, they would total \$90 million for 1957. However, the present conditions in contracts indicate that it would be difficult to expect the same growth rate in exports and imports for the second half of the year. According to the survey of Nicchu Exporters & Importers Association, authorized contracts in July totalled \$391 million for exports and \$358 million for imports, declining respectively by 24% and 40% from the average of the actual volume for April-June period. The total authorized contracts for both exports and imports is \$749 million and is lower than any of July, August and September of 1956. Worse still, contracts in August show a further decline.

The slack trade with China in spite of the relaxation of embargo has been caused by conditions both in Japan and China. Namely China's purchasing power is short. China's main items for exports are agricultural products. But the poor 1956 crops and the growing demand at home seem to have combined to reduce China's farm produce for export. China's Vice-Premier Po I-po explained the government's economic plan for 1957 at the assembly of people's representatives held on July 1 that the Chinese government intends to cut down exports of foodstuffs, edible oils and pork, and that it plans to reduce the total volume of exports and imports by 8.4% from the previous year.

In addition to the conditions that are hindering China's export, the situation in Japan is not favorable for Japan's imports from China to grow. The Japanese authorities concerned with finance have taken successive steps to curb Japan's growing imports by tightening money for importers. This seems to have greatly contributed also to the decline of imports from China. Most of traders engaging in China trade are small scale business concerns. Such restrictive financial measures as limiting the volume of letters of credit and severer collateral system for

imports have given the hardest blow to these small business firms. To make the matters worse, the barter system in the trade with China makes slack imports bring automatically inactive exports.

#### 4. IMPORTS FROM CHINA (\$1,000)

	1955	1956	Jan.- June, 1956	Jan.- June, 1957
Soy beans....	26,963	20,588	9,625	12,855
Coal .....	1,389	6,536	3,133	4,075
Pig Iron ....	—	264	264	2,855
Rice .....	19,147	16,994	11,303	17
Salt .....	5,639	9,097	3,100	3,464
Pulses .....	5,603	3,505	1,531	3,947
Magnesia-				
Clinker ....	2,130	3,842	1,494	3,119
Total .....	80,753	83,839	39,671	44,284

Source: Finance Ministry.

### No Agreement

In the eyes of traders the worst obstacle, however, lies in the government's refusal to do anything positive toward concluding a new trade agreement between China and Japan, where trade is carried on without any agreement.

The trade between Japan and China had been conducted on the basis of non-governmental agreement between the traders of the two countries. The third agreement signed on May 1955 (effective for one year) had been renewed successively until it was expired on May 3, 1957. But four months after the expiration nothing has been done for the next agreement. This sad situation has arisen from the following.

The Third Sino-Japanese Trade Agreement indicated (1) that both countries would make effort to exchange a permanent trade delegation and to give the diplomat's status to the staff members of the delegation, and (2) that the open account system would be formed by concluding a payment agreement between the Bank of Japan and the People's Bank of China and the settlement would be made in cash in £ sterling until the conclusion of the payment agreement between the two central banks.

None of these have been realized because of the Japanese government's reluctance to accord facilities to the trade with China. Japanese traders anxious to see these facilities realized strongly desire that the government should take more realistic approach to the problem.

### Trade with France

The virtual devaluation of francs announced on August 10 by the French government seems to have little impact on Japan's foreign trade.

Japan exported during 1956 \$14 million (the customs entries) to France proper

and \$12 million to French territories overseas, totaling only \$26 million. On the other hand, Japan imported during the same year more than \$21 million from France proper and about \$26 million from her overseas territories. Thus Japan imported more than she exported to France. Japan's adverse balance of payments with France not only appeared in 1956 but also in the preceding years.

What hinders Japan's exports to France is that they are by and large consumer goods such as raw silk, textiles, tea and pearls and for that reason subjected to rigid import restrictions by the French government. *Per contra*, what Japan imports from France and her overseas territories are mainly potassic fertilizers, nickel ore, and phosphate rock, important industrial materials for Japan.

The possible effects of the devalued francs would be that Japan can buy these important materials cheaper, but on the other hand Japan would find it increasingly difficult to export her garments, pearls, and canned foods. However, Japanese raw silk would probably be exempt from 20% import tax (besides tariff), and Japanese tea would continue to be exported to France without much reduction since it has been demanded as a necessity for North Africans. The problem lies rather in the competition with Chinese silk and tea.

Negotiations have been underway for concluding a trade agreement between Japan and France. When the agreement is completed, the high tariff imposed on part of Japanese goods by the French government would probably be relaxed. The agreement will probably indicate the goals for trade volume for certain items. These favorable circumstances offsetting the unfavorable, the devalued francs and the accompanying results would not likely reduce Japan's exports to France to a great extent.

Finally, if France tries hard to promote her export, the most likely area in which she would vie with Japan is the three Indochina countries, her former colony. It is interesting to note that whereas France's exports to that area continued to decline in each of the past few years, Japan's exports have grown rapidly. Let us make a comparison on exports to South Vietnam, for instance. In 1955, French goods occupied 52% of the total exports to that country and Japanese goods only 13%. In 1956, however, the United States took up 28% and France and Japan 25% (including exports purchased with the ICA funds). In particular, the competition between the two countries would be at its fiercest in exporting iron and steel and textiles.



## Commodity Market

**Cotton Goods:**—Bullish and bearish factors intermingled in the July transition of the cotton goods market with the former finally taking the upperhand. One of the most important stimulant in the cotton market in July was the curtailment of cotton imports due to the dwindling of foreign currency holdings. The Ministry of International Trade & Industry on July 24 announced that the foreign exchange budget earmarked for the imports of 1,200,000 bales of raw cotton for the first half of fiscal 1957 (April to September) would be temporarily withheld to the amount of 290,000 bales, thus setting the first-half import volume at 910,000 bales, a curtailment far larger-scaled than originally expected even in cotton circles. MITI, however, revealed that the imports of the carry-over of 200,000 bales from the preceding fiscal year would be licensed as under the original schedule. It became plain by the tone in which MITI's announcement was made that the raw cotton imports in the second half would also be squeezed to about 1,000,000 bales or less. In other words, it was clarified that the raw cotton imports for the whole fiscal year of 1957, originally placed at 2,600,000 bales, would be squeezed by about 26-27% (or about 690,000 bales). With the production dip of cotton goods thus becoming a certainty and inventories sure to dwindle, the cotton market grew activated. The revival was comparatively short-lived, as the successive bankruptcies of textile firms (including Hibiya Shoten, one of the oldest in existence), which came as a new deterrent to the market. As the money shortage has become increasingly apparent, spinning companies have begun to place first stress on cash transactions, and textile merchants have come to bear the brunt of the situation. The fall of Hibiya Shoten proved a big psychological deterrent, and the market started to soften due to the worry over the credit situation. However, the cotton import cut continued to tower high as a powerful support and the market began to rally again from early August.

**Raw Silk:**—The raw silk market fared well in July as export shipments were active, but ended the month in a weak tone after a round of export selling, with the futures nailed to the ¥1,960-1,970 mark. Domestic demands for raw silk failed to make any particular gain under the impact of tight-money measures. In its second forecast of the spring cocoon crop, the Ministry of Agriculture & Forestry on July 31 estimated the 1957 spring cocoon production at 14,252,000 kan, a new postwar peak and up some 13.7% over 12,530,000 kan for the like crop in 1956. With the summer and autumn cocoon crops likely to remain normal, subject to favorable weather, silk quotations are not expected to make any energetic rally from the mid-August average of ¥1,930.

**Spun Rayon:**—With the 13% production curtailment in operation since April, the monthly output has dived to the 58,000,000 lbs. mark (as compared with 66,700,000 lbs. in January, this year). With no production cut in application to spun rayon yarn, however, market quotations have not made any notable rallies. Spun rayon quotations (for August deliveries) stood at a low of ¥81 while spun rayon also dived below the ¥100 mark. To bolster the market, the Ministry of International Trade & Industry on August 2 recommended the additional curtailment of spun rayon (to the monthly production of 51,000,000 lbs. from September through December)

and the start of a new production curtailment for spun rayon yarn (22% cut starting from September). On the basis of this recommendation, the production of spun rayon yarn will be cut by 22% from September (15% by sealing equipments and 7% by the reduction of working hours). Expert circles opine that the supply-demand balance will be steadily improved through the new production cut, but the market in general did not respond quickly. Signs of a market recovery will become apparent from about October, according to the consensus of experts.

**Filament Rayon:**—A production curtailment schedule has also started for rayon filament yarn with the monthly production limit set at 16,300,000 lbs. during the period from August to December. For these five months, a 19% production cut is in operation. Despite the production cut, the market so far has failed to revive under the impact of money shortage and mounting inventories. With surplus stockpiles increasing for the first time after the war, no sizable sales for August shipments were witnessed as in mid-August. Spinners are particularly in a dilemma as the production curtailment has served to boost the production cost.

**Woollen Yarn:**—The woollen market has been steadily recovering principally on the strength of the rumors that the foreign exchange allocation for wool imports might be reduced. It is generally held likely that the first-half foreign currency allocation for the imports of 450,000 bales may be cut by more than 100,000 bales and that the annual allotment for 1,300,000 bales may be reduced by more than 300,000 bales. The import reduction, if realized, will naturally dwarf the production of worsted yarn, and the market is certain to stiff from the year-end through the 1958 spring. For the time being, however, the market will not witness any energetic rally as the increasing stockpiles, money shortage and dull exports are offering major deterrents.

### MAJOR TEXTILE QUOTATIONS

		Cotton Yarn (Osaka)	Rayon Yarn (Osaka)	Spun Rayon Yarn (Osaka)	Woollen Yarn (Nagoya)	Raw Silk (Yokohama)
1957: Mar.	2.....	175.3	218.9	114.5	1,074	2,014
	9.....	175.0	218.0	113.1	1,037	2,050
	16.....	175.9	213.0	113.1	1,012	2,046
	23.....	180.5	200.2	113.8	1,030	2,030
	30.....	185.0	210.9	118.6	1,076	2,069
Apr.	6.....	184.9	203.5	118.5	1,046	2,073
	13.....	188.5	214.9	119.0	1,069	2,080
	20.....	185.2	209.6	117.0	1,056	2,119
	27.....	181.7	197.5	115.2	1,037	2,090
May	4.....	178.0	185.2	114.0	988	2,089
	11.....	176.0	176.1	111.8	950	2,051
	18.....	171.6	170.9	109.5	915	2,030
	25.....	168.1	171.5	109.9	925	2,016
June	1.....	167.8	163.1	110.4	924	1,971
	8.....	165.0	163.0	107.7	892	1,963
	15.....	167.5	164.1	107.9	901	1,981
	22.....	173.0	169.0	108.1	927	1,978
	29.....	177.1	182.0	111.3	940	1,981
July	6.....	172.0	178.9	107.1	871	2,010
	13.....	168.2	176.2	104.1	833	1,988
	20.....	165.0	166.9	99.4	839	2,030
	27.....	163.1	164.6	95.0	889	1,976
Aug.	3.....	172.9	17.2	103.1	921	1,969
	10.....	170.2	166.0	102.0	934	1,964
	15.....	167.9	161.9	99.9	912	1,935
	17.....	167.1	161.0	100.0	913	1,929



## Labor

**Niigata Protest Strikes:**—The protest strikes which were carried out by the *Niigata* district committee of the National Railways Union from July 10 through 17 in demand for the repeal of purged employees proved to be the most violent of its kind in the history of Japanese railways unions. In that strike-fested week, 127 passenger car services and 593 freight train services were cancelled, while all other train services were more or less delayed.

The average hours of delay in that week ranged from 17,000 minutes to 20,000 minutes as against 3,200—3,500 minutes in peace time. The authorities suffered an estimated ¥10,000,000 loss in cancelled passenger train and countless losses in freight trains stoppages. One estimate sets the authorities' total loss in freight train stoppages at about ¥110,000,000 and this does not include the losses arising by the hindered maneuverability of freight cars through sabotages, which, in their turn, estimated to be around ¥33,000,000.

In utter desperation, the *Niigata* district authorities announced on July 15 that they would not handle cargoes for the duration of the strikes in order to save the more embarrassing delays of passenger cars as much as possible. This is the first time that any National Railways district management sent this kind of telegrams to its branches.

What then was this strike all about? It started with the authorities' purging of two of its district union officers. The Central Committee of the National Railways Union issued its directive to the *Niigata* district committee ordering them to carry out protest strikes at its 11 branch unions for the duration of three hours. In complete disregard for this directive, the *Niigata* district committee carried out strikes at more than 30 points and for much longer hours than ordered. Irrated at this, the Railways authorities asked for the police intervention—this also for the first time in the National Railways history. This in turn angered the union which asked the Central Committee for reprisal directive. The Central Committee, however, was rather reluctant to comply as it feared the adverse public reaction. But finally the Central Committee succumbed to the demand but its directive was far less violent than originally demanded. Not satisfied with the directive, the *Niigata* district committee plunged into the week-long bitterly-fought strikes as was mentioned above.

The main reasons why the *Niigata* district union alone threw itself into the unreasonably arrogant strikes were: 1) that in the *Niigata* area, there is a long tradition of "poor farmers movements" from the pre-war days and that most of the railways employees have come out of the farming stock which is well known for its militancy in the tenant-landowner struggles; 2) that the nature of unionists is invariably moody and is most liable to be roused into blindly following the master's voice; 3) that the district committee is very Communistic in nature having aligned itself with the WFTU as early as in 1953 before any other organization dared to associate itself with the world federation; 4) that 16 out of 17 committee council members of the district are of the *Kakudoha* (Comrade in Revolution) section, furthest left in the National Railways Union. Most of them are willing to cooperate with the Communist Party.

The tactics used in the past *Niigata* district struggles also merit attention. Without resorting to the usual run of the strike tactics, the *Niigata* district union employed a sort of guerrilla infightings. Some of its examples were: 1) Without any beforehand notice, some strike leaders would alight on a certain station and led the employees into strikes. When the surprised authorities sent replacement to the station, the strikes were already called off and the employees were at their usual positions. The strike leaders were already at a different station putting a wedge into the smooth workings of the railway transportation and communication in order to frustrate the authorities; 2) Ambushes a train at a certain station and dragged the conductors off the train.

These tactics invariably brought down the public anger on the union and almost every conceivable economic and social organizations raised Cain against the union. Additional 19 union leaders were purged and one unionist after another is now leaving the militant union to form the second and more reasonable union in the district. Thus, down went the high hopes of the of militant union leaders into the gutter.

**Sohyo and Zenro:**—*Sohyo*, the biggest labor organization in Japan, held its general meeting in Tokyo from August 3 through 5. The public interest was unusually aroused as to how the labor organization would react to the stiffening

attitude toward labor of the current Government. Contrary to the general expectation, however; the meeting lacked the usual punch that was the trade mark of *Sohyo's*. Although there are two warring factions in the giant labor organization—the Main Faction (led by the Secretary-General Iwai) and the Anti-Main Faction (led by the former Secretary-General Takano). But their antagonism is not of theory but of personal conflict. Therefore, whenever the choice of union officers came around, the struggle for hegemony was always something to watch. This time, however, the Secretary-General Iwai carried the meeting so tactfully that Takano Faction had no opportunity to slash at the Main Faction.

This contributed much to the smooth running of the usually hectic general meeting. Some maintain that with the downfall of the furthest left Takano Faction, *Sohyo* would walk along a more moderate path, but the writer does not conform with the argument. First of all, the foreign guests invited to the meeting were all WFTU members; while the original proposal that *Sohyo* would not cooperate with the Communist Party was finally struck off from the final version of its 1947 principles. Wordings of the principles were as usual studded with such violent expressions as 'enemy', 'coersion', 'squeezing' and 'oppression'. Moreover, the *Sohyo* leaders call the spring offensives which roused such public exasperation a great success. This certainly does not lead one to consider the organization anything but radical.

*Zenro*, on the other hand, held its regular meeting from July 23 through 25. The atmosphere of the meeting was also rather flat, as there was no heated discussion on principles. The only item worthy of mention here is *Zenro's* expressed willingness to invite the Government unions (now exclusively aligned with *Sohyo*) into its hold if the unions conformed to its constructive programs.

As usual *Zebro* condemned *Sohyo* for: 1) its leftist political leaning; 2) its contempt for the congressionalism as expressed in its intensive "out-of-the Congress" maneuvers; 4) its tie-up with the World Federation of Trade Unions, a communist organ, in defiance of its original principles; 5) its accelerated cooperation with the Communist Party.

All in all, the general meetings of the two giant labor organizations proved to be rather dull excepting the usual mudslinging to each other.



## Investment Outlook

### Mitsubishi Shipbuilding & Engineering

Mitsubishi Zosen, one of the largest in Japan, is also among the best few on the list of world shipbuilding corporations. The origin of Mitsubishi Shipbuilding & Engineering dates back to 1857, although its postwar career is still young as it has made a fresh start in January, 1950 as one of the second companies of the defunct Mitsubishi Heavy Industries, Ltd. Mitsubishi Heavy Industries, Ltd. before and during the Pacific War played a cardinal role as a manufacturer of a wide variety of heavy industrial products catering to wartime and peaceful requirements, and served as a pivot of the Mitsubishi interests. As of August, 1945 when the Pacific War came to a close, Mitsubishi Heavy Industries, Ltd. was a ¥1,000 million concern controlling eight shipyards, 17 manufactories of aircraft engines and six other machinery plants with 200,000 workers in employment. Ordered to be dissolved into three firms under the provisions of the Excessive Economic Power Decentralization Law in June, 1949, the Company in January, 1950 divided itself into three second companies—Higashi Nihon Heavy Industries (present Mitsubishi Nippon Heavy Industries; Naka Nihon Heavy Industries (present Shin Mitsubishi Jukogyo); and Nishi Nihon Heavy Industries (present Mitsubishi Shipbuilding & Engineering). At the time of its inauguration, Mitsubishi Shipbuilding & Engineering had taken over the control of five major plants in the areas to the west of Hiroshima—shipbuilding yards at Nagasaki, Shimonoseki and Hiroshima, and two machinery plants at Nagasaki and Hiroshima. With Nagasaki precision machine factory merged to Nagasaki Shipbuilding yard in July, 1951, however, the Company now possesses three shipyards and one machinery factory, and operates through its Tokyo head office and three branch offices located in Osaka, Kobe and Fukuoka. Capitalized at ¥900 million at the start, it now carries a capital of ¥5,600 million through three successive expansions (December, 1952; February, 1953 and January, 1957). Wide and diversified is the variety of the Company's products which include ships of various types (construction and repairing inclusive), motors for land transportation machines, power generation equipments, chemical machinery, mining machines, machinery for iron and steel industry,

textile machines, machine tools and steel bridges, but the Company places chief stress on the shipbuilding department which accounts for about 65% of the total amount of annual sales, as shown in Table 1.

#### 1. MITSUBISHI S. & E. BUSINESS RESULTS (In million yen)

	Sales (October, 1951– March, 1957)	% in Total	Backlogs (As of March, 1957)
New Ships .....	10,728 (15 ships)	58.4%	104,374 (57 ships)
Ship Repairing ..	1,394	6.8	623
Machinery .....	6,394	34.8	27,891
For Ships .....	1,304	7.1	3,519
For Land .....	5,090	27.7	24,372
Power Machines ..	(1,245)	( 6.8)	(17,818)
Mining Machines ..	( 528)	( 2.9)	( 433)
Iron-steel Machines ..	( 505)	( 2.7)	( 2,265)
Chemical Machines ..	( 883)	( 4.8)	( 1,204)
Textile Machines ..	( 190)	( 1.0)	( 477)
Machine Tools .....	( 264)	( 1.4)	( 826)
Steel Structures ..	( 537)	( 2.9)	( 294)
Paper-pulp Machines ..	( 376)	( 2.0)	( 940)
Others .....	( 562)	( 3.1)	( 114)
Total .....	18,371	100.0	132,887

Nagasaki Shipyard of the Company is the largest of shipbuilding yards in this country, and has constructed more than 1,500 commercial vessels and warships since its inception. The most important achievement of Nagasaki Shipyard is the construction of the 80,000-ton battleship "Musashi," once the largest of war vessels in the world. At present, it possesses six building slips (51,000 G/T, 81,000 G/T, 30,000 G/T, 27,000 G/T, 25,000 G/T, and 12,000 G/T). In addition, it has three docks of 12,000 G/T, 4,000 G/T and 30,000 G/T. During 1956, Nagasaki Shipyard launched ships totalling 312,000 G/T, to top all other key shipbuilding yards in the world. It now has 10,127 workers on its payroll.

Shimonoseki Shipyard, which rather specializes in ship repairing, is equipped with two stocks (3,000 G/T and 4,600 G/T) and five docks (5,000 G/T, 8,000 G/T, 800 G/T, 500 G/T and 2,000 G/T, and employs 1,425 workers. Hiroshima Shipyard, constructed by the defunct Imperial Navy and commissioned to the Mitsubishi management in 1943, is one of the modernest of Japanese shipbuilding yards

and its Kannon Machinery Plant engages in the manufacture of machinery and machine tools of various types. Hiroshima Shipyard is equipped with four stocks (three sets of 12,000 G/T capacities and one of set 4,500 G/T capacity, one dock capable of accommodating a 10,000 tonner, and employs 3,820 workers.

Hiroshima Precision Machine Plant specializes in the production of machinery for ships, chemical machines, textile machines and machine tools and has 681 workers under employment. Thus equipped with some of the largest and modernest of world dockyards at its service, Mitsubishi Shipbuilding & Engineering Co. has taken the full advantage of the latest shipbuilding boom. As of the end of June, 1957, the Company had the total contracts of ¥151,200 million including 55 ships under construction worth ¥114,600 million (including 36 export ships worth \$87,100 million and 19 domestic ships worth \$27,500 million), ¥36,400 million worth of machinery and ¥600 million worth of repairing projects. Under the 13th shipbuilding program, the Company is also due to build five new vessels worth about ¥6,300 million. Thus, the Company hold orders enough to keep all its equipments running for the coming three years or more. Of the shipbuilding orders from abroad, two 67,000 W/T mammoth tankers for Tidewater Oil Co. (U.S.) are included. The sales of the Company during the half-year term ended September, this year are estimated to reach ¥23,000–25,000 million (with the estimated profit amounting to about ¥1,000 million) with the sales for the following quarter ended March, 1958 certain to exceed ¥30,000 million.

#### 2. BUSINESS TRANSITIONS (In million yen)

Terms Ended	Sales	Profits	Profit Rate Against Capital %	Divi- dend %
March, 1955 ..	8,188	418	30	12
Sept., 1955 ..	12,255	468	33	12
March, 1956 ..	11,133	473	34	12
Sept., 1956 ..	19,504	731	52	12
March, 1957 ..	18,371	801	43	12

The Company is pushing the equipment rationalization plan at the total cost of ¥6,000 million as a 2.5-year project starting May, this year, and is likely to double capital in the latter part of this year in order to raise the necessary funds. With the dividend certain to be left intact at 12% after the forthcoming capital expansion, the Company's shares are now priced at around ¥90 per share with the yield against the 12% dividend standing at 6.7% (the net yield of 8.6% after the capital expansion).



# K. Hattori & Co., Ltd.

Hattori Tokeiten (K. Hattori & Co., Ltd.) is one of the most reputable of Japanese manufacturers of time-pieces. Now capitalized at ¥600 million, is the oldest watch and clock maker in this country. Making its debut as an individual concern established by the late Kintaro Hattori in 1881, Hattori Tokeiten was incorporated into a joint-stock company in 1917. The sales of the Company for the half-year term ended March, 1957 totalled ¥5,161 million, including ¥2,701 million worth of wrist and pocket watches. Different from other time-piece manufacturers in this country which engage both in the production and the sales of their products, Hattori Tokeiten places these two departments under two different companies. It was in 1937 that established Daini (Second) Seikosha Co., Ltd., assigned with taking charge of the production phase of its operations. Ever since, wrist and pocket watches of Hattori Tokeiten have been manufactured by Daini Seikosha Co., Ltd. At present Daini Seikosha Co., Ltd. has two plants, the first at Kameido (Tokyo) and the second at Suwa. Daini Seikosha Co., Ltd. manufactured some 1,300,000 pieces of watches annually in 1940, immediately before the outbreak of the Pacific War, but its production was reduced almost to nil during the war. The recovery of the Company after the war has been rapid and energetic, and the production returned to the prewar peak of 1,300,000 pieces in 1955. The latest monthly production capacity at

the Kameido factory reaches 54,300 pieces of Model 5 line ladies' wrist watches, 6,000 pieces of Models 8 line ladies' wrist watches, 37,600 pieces of center-second gentlemen's watches and 600 pieces of self-winding men's wrist watches. Its Suwa plant specializes in the manufacture of men's center-second wrist watches at the monthly capacity of 55,000 pieces. In addition, it also manufactures 1,500 pieces of pocket watches and 2,000 pieces of stop watches. Clocks are generally manufactured at Seikosha plants directly belonged to Hattori Tokeiten. The production in the 1956 fiscal year (April, 1956 to March, 1957) amounted to ¥1,018 million in alarm clocks, ¥516 million in wall clocks and ¥269 million in table clocks. In addition to watches, clocks and camera shutters manufactured at Seikosha and Daini Seikosha plants, Hattori Tokeiten also handles cameras, movie cameras, projectors, binoculars, and other optical goods, surveying instruments such as levels, transits and mycometres, sewing machines, T.V. sets, radio sets, electric equipments, dinner sets, personal ornaments such as jewelries, fountain pens, glass ware manufactured by leading makers. Of these sundry items, the sales of optical instruments account for 10% of the total. Thus, the sales of Hattori Tokeiten mainly comprise watches (worth ¥4,907 million in fiscal 1956 or 50.5% of the total), clocks (worth ¥1,893 million or 19.5%), optical instruments (worth ¥1,099 million or 11.3%) and shutters (¥670 million or 6.9%).

## 1. HATTORI TOKEITEN'S SALES (In ¥1,000)

	1950	1956
Own manufactures:		
Clocks .....	668,355 ( 33.6%)	1,892,516 ( 19.5%)
Camera shutters .....	18,252 ( 0.9%)	670,469 ( 6.9%)
Supplies from outside:		
Watches .....	907,668 ( 45.7%)	4,907,030 ( 50.5%)
Optical goods .....	65,908 ( 3.3%)	1,099,029 ( 11.3%)
Measuring machines .....	92,884 ( 4.7%)	377,824 ( 3.9%)
Sewing machines, electric instruments .....	93,132 ( 4.7%)	336,797 ( 3.2%)
Ceramic ware .....	70,978 ( 3.6%)	320,643 ( 3.3%)
Sundries, etc. ....	69,449 ( 3.5%)	94,839 ( 1.0%)
Timepiece repairing .....	—	40,013 ( 0.4%)
Total .....	1,986,626 (100.0%)	9,716,660 (100.0%)

The sales of watches have increased markedly in the past several years, well indicative of the energetic rise of demand for watches after the war. The national production of wrist watches soared from ¥884 million in 1950 to ¥5,849 million in 1956 and the sales also bulged from ¥908 million to ¥4,907 million in the interim. Another noteworthy development is the rising sales of cameras and shutters, as cameras have been markedly popularized in recent years. Hence, the Company's sales of optical instruments leaped 16.5 fold from 1950 through 1957 while the sales of shutters also jumped 37.2% during the same period.

In the case of Hattori Tokeiten, export transactions are conducted through the medium of its subsidiary—Hattori Trading Co., Ltd., established in 1917 (with Mr. Shogo Hijikata as representative director). As shown in Table 2, exports through Hattori Trading have been making steady increases, watches rising more than three times in the past six years, as well as table and wall clocks. Major destinations for the exports through Hattori Trading Co., Ltd. are mainly Southeast Asiatic countries for clocks and Communist China and Okinawa for watches.

## 2. HATTORI'S EXPORTS 1950 & 1956

	1950		1956	
	Pieces	¥1,000	Pieces	¥1,000
Watches & clocks .....	75,043	46,297	170,935	116,606
Wrist & vest watches .....	39,087	47,016	77,395	143,450
Sundry goods .....	—	64,404	—	43,936
Total .....		157,717		303,962

Hattori Trading is also engaged in import transactions, handling purchases of raw and processed materials for watches, clocks and optical instruments from West Germany and France. As the exclusive

agent in Japan for American Optical Co., Hattori Trading also imports optical instruments from the U.S. Annual imports by Hattori Trading amount to about ¥400,000,000.

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## Marubeni-Iida Co., Ltd.

Marubeni-Iida Co., which originally placed particular stress on textiles as its special line, has now become one of the largest of Japanese general merchants with wide varieties of handling in bulky domestic transactions and huge foreign trading deals. As shown in Table 1, the monthly average of business transactions handled by Marubeni-Iida Co., Ltd. now

stands at about ¥30,000 million in value with more than 40 per cent thereof in commodities other than textile products.

Marubeni-Iida's business transactions are almost equally divided between domestic deals and foreign trading, as export-import contracts account for 50-60 per cent of the total, as may well be noted from Table 2.

### 1. MARUBENI-IIDA'S TRANSACTIONS BY COMMODITY (In million yen)

Goods	Half-year terms ended					
	March, 1955	Sept., 1955	March, 1956	Sept., 1956	March, 1957	
		%		%		%
Textile raw materials ..	10,619 (16)	17,429 (18)	17,198 (15)	22,772 (15)	26,388 (15)	
Textile goods.....	38,143 (59)	46,384 (46)	53,787 (48)	69,929 (48)	78,844 (44)	
Metals, machinery.....	6,157 (10)	13,195 (14)	16,746 (15)	23,216 (16)	38,789 (22)	
Foodstuffs, oils, fats....	7,285 (11)	15,085 (15)	15,542 (14)	18,728 (13)	18,243 (10)	
Other commodities ....	2,774 (4)	7,149 (7)	28,908 (8)	11,493 (8)	14,807 (9)	
Total .....	65,078 (100)	99,242 (100)	11,187 (100)	146,138 (100)	177,071 (100)	

### 2. MARUBENI-IIDA'S BUSINESS COMPOSITION (In million yen)

	March, 1955	Sept., 1955	March, 1956	Sept., 1956	March, 1957	
	%	%	%	%	%	%
Exports.....	14,825 (23)	18,446 (19)	23,770 (21)	24,126 (16)	27,897 (16)	
Imports.....	20,760 (32)	39,056 (39)	43,964 (39)	52,283 (36)	59,971 (34)	
Domestic transactions ..	29,493 (45)	41,740 (42)	44,453 (40)	69,729 (48)	89,023 (50)	
Total.....	65,078 (100)	99,242 (100)	112,187 (100)	146,138 (100)	177,071 (100)	

On the list of a wide variety of commodities handled by Marubeni-Iida Co., Ltd. in foreign trade transactions and domestic dealings are included textile raw materials (such as cotton, wool, pulp, Manila hemp, flax, jute and hemp), textile products (like cotton yarn, cotton fabrics, raw silk, silk goods, silk yarn, filament rayon yarn and fabrics, spun rayon, spun rayon yarn, spun rayon fabrics, synthetic fibers and fabrics thereof, woollen yarn, wollen fabrics, suitings of various sorts, etc.), fuels (such as petroleum and coal), machinery (including textile machines, industrial machinery, electric machinery, machine tools, equipments for atomic power generation, aircraft, ships, rolling stock and automobiles), metals (comprising iron and steel materials, mineral products, iron, steel and non-ferrous metals, iron and steel products, and non-ferrous metals products), foodstuffs (like rice, wheat, barley, salt, fodder, various cereals and brewers' raw materials), oils and fats, fertilizers, sugar, and sundry products (including rubber, timber and other building materials, hides and leathers, synthetic chemicals, farm and marine products, and sundries). In order to handle such a wide variety of commodities, the Company is naturally required to possess a well-stabilized and dependable network of leading customers and business partners. In this respect, Marubeni-Iida Co., Ltd. is fully qualified, as it is closely connected with leading industrial and business concerns through investments, personnel interchanges, fund supplies and technical tieups. The Company also has stable tieup relations with such key industrial companies as Hitachi Ltd., and Showa Denko, and is steadily establishing its footholds in new industrial branches like atomic energy and petrochemistry.

Parallel with the phenomenal expansion

of the field of its activities, Marubeni-Iida Co., Ltd. has had to widen the network of its branches. Thus, the Company, operating through its main office in Osaka, is supported by the supervisory branch office in Tokyo, 11 local branches and 13 regional branches. To take care of bulky transactions handled in overseas markets, the Company has also established juridical persons in key cities of the world and also manages branches, sub-branches and representative offices in many key spots throughout the globe. Juridical persons established by Marubeni-Iida Co., Ltd. under the laws of foreign countries are as follows:

New York .....	Marubeni-Iida Co. (America) Inc.
Toronto .....	Marubeni-Iida Co. of Canada.
Mexico ..	Marubeni-Iida de Mexico S.R.L.
Buenos Aires .....	Marubeni-Iida, S.R.L.
Sao Paulo ....	Importadora e Exportadora Bra Marida Ltda.
Hamburg .....	Marubeni-Iida G.m.b.H.
Teheran.....	Marubeni-Iida Co. (Iran), Ltd.
Sydney.....	Marubeni-Iida Pty., Ltd.

In addition, the Company manages under its direct supervision 10 overseas branches, at London, Kabul, Karachi, Bombay, Rangoon, Bangkok, Singapore, Hong Kong, Taipei and Manila, and controls sub-branches, local offices and representatives' offices in 40 other foreign cities. Of the total number of 3,000 employees on the Company's payroll, some 300 are stationed abroad. To handle this gigantic business machine, Marubeni-Iida has properly increased capital since its latest initiation in 1949. Starting with the capital of ¥150 million, the Company swelled to a ¥300 million firm in June, 1951; doubled capital to ¥600 million in June, 1953; further boosted it to ¥1,500 million in February, 1955; grew to a ¥1,600 million concern through the absorption of Takashimaya-Iida in September, 1955; and

again doubled capital to ¥3,200 million in October, 1956.

In addition, the Company also owns various reserves aggregating some ¥1,416 million (including ¥500 million in the reappraisal reserve, ¥265 million in the profit reserve, ¥470 million in the special profit reserve, ¥128 million in the retirement allowance reserve, and ¥53 million in the profit reserve carry-over. Also at the Company's disposal are funds totalling ¥942 million in the form of the bad debt reserve (¥211 million), the price fluctuation reserve (¥501 million), the export loss reserve (¥129 million), and other miscellaneous reserves (¥101 million). Thus, the Company substantially has the huge owned capital of ¥5,558 million at its disposal. The financial standing of the Company will be further consolidated with further expansion of its capital to ¥5,000 million planned in the near future. Hence, the foundation of the Company will not be particularly affected under the impact of market price slips and tight-money restrictions. Great trust in which the Company is held by leading banking institutions is affording another prop to its operations. The earning situation, in general is subject to certain fluctuations depending on business transitions both at home and abroad, has been generally faring well, with the dividend rate standing at 15% for the first term (ended March, 1950); 20% (ordinary) and 10% (special) for the second term (ended September, 1950); 20% (ordinary) and 30% (special) for the third term (ended March, 1951); and 20% for the fourth term (ended September, 1951). The dividend was passed for the three following terms (fifth to seventh) due to the reactionary depression following the Korean truce, but was revived to 15% from the eighth term (ended September, 1953), and this dividend rate has been maintained since. As one of the "Big 4" trading firms in this country (the other three being Mitsubishi Shoji, Dai-ichi Bussan and Itoh-Chu Shoji), the future of Marubeni-Iida Co., Ltd. is certainly bright and promising.

### 3. MARUBENI-IIDA'S EARNING POSITION (In million yen)

Terms ended	Total transac- tion	Profits	Dividend rate (%)
1st (March, 1950) ..	4,988	23	15
2nd (Sept., 1950) ..	15,173	146	18(*10)
3rd (March, 1951) ..	35,414	525	20(*30)
4th (Sept., 1951) ..	12,065	81	20
5th (March, 1952) ..	44,358	518	—
6th (Sept., 1952) ..	43,074	19	—
7th (March, 1953) ..	46,203	258	—
8th (Sept., 1953) ..	62,040	165	15
9th (March, 1954) ..	72,869	131	15
10th (Sept., 1954) ..	60,367	110	15
11th (March, 1955) ..	65,078	153	15
12th (Sept., 1955) ..	99,242	260	15
13th (March, 1956) ..	112,188	336	15
14th (Sept., 1956) ..	146,138	523	15
15th (March, 1957) ..	177,071	651	15

\*special dividend given in addition.



## *Importers, Exporters & General Merchants*



# **Marubeni-Iida Co., Ltd.**

CAPITAL PAID: ¥3,200,000,000

PRESIDENT: S. ICHIKAWA

### HEAD OFFICE

3, 3-chome Hommachi, Higashi-ku, Osaka, Japan

P. O. Box: Central 1,000 Osaka.

Cable Address: "MARUBENI OSAKA"

### TOKYO OFFICE

1, 1-chome Marunouchi, Chiyoda-ku, Tokyo, Japan

P. O. Box: Central 595, Tokyo.

Cable Address: "MARUBENI TOKYO"

### HOME OFFICES

FUKUI, FUKUOKA, FUKUYAMA, HAMAMATSU, HIROHATA, HIROSHIMA, IMABARI,  
KIRIU, KOBE, KYOTO, MOJI, NAGASAKI, NAGOYA, OKAYAMA, SAPPORO,  
TOKYO (NIHONBASHI), YAHATA, YOKOHAMA

### OVERSEA OFFICES

BANGKOK, BEYROUTH, BOMBAY, BRUXELLES, BUENOS AIRES, CAIRO, CALCUTTA, CHITTAGONG,  
DALLAS, DJAKARTA, HAMBURG, HONG KONG, JOHANNESBURG, KABUL, KARACHI, LAHORE, LONDON,  
LOS ANGELES, MADRAS, MANILA, MELBOURNE, MEXICO CITY, MONBASA, NEW YORK, PHNOM-  
PENH, PORTLAND, RANGOON, SAIGON, SAN FRANCISCO, SAO PAULO, SINGAPORE, SYDNEY, TAIPEI,  
TEHERAN, TORONTO, VIENTIANE.



## Company Notes

**Supertankers to Kuwait:**—Sasebo Ship Industry (capitalized at ¥645,280,000; founded 1946) has received an inquiry from Kuwait for two supertankers of 46,000 G/T each. The inquiry, which is likely to materialize into a concrete contract in the near future, has been made by Kuwait Oil Tanker Corp., which asks for the delivery of the two vessels in April and October, 1958. The terms offered include the ship price at \$210 per G/T with the total payment made in five instalments from the time the contract is signed until the delivery of completed ships. Although the contract calls for exceptionally early deliveries, the ship price and other terms offered are comparatively favorable. It is understood that Kuwait Oil Tanker Corp. is scheduled to place further orders for more supertankers if the present deal proves satisfactory. With orders from Greek ship-owners on the decline due to the slipping freight rates, the present inquiry from Kuwait Oil Tanker Corp. is attracting keen attention of Japanese shipbuilders. Sasebo Ship Industry made its debut after the war with the former Sasebo Naval Arsenal equipments leased by the Government. At present, the Company is equipped with three stocks, including two for 14,000 gross-tonners, and six docks including one capable of accommodating an 80,000 tonner.

**Paper Production from Bamboo:**—Active inquiries are being received by Nitto Paper Co., Ltd. (a ¥160 million concern) from India and other countries for the purchase of the patent for manufacturing paper from bamboo. The Japanese paper firm has acquired Japanese, Indian and Pakistani patents for part of its equipments for manufacturing bamboo chippers and collecting waste lye. India has reportedly concluded a contract with Nitto Paper to import the patent for making bamboo chippers, while the request to the same end has been received from the provincial government of Orissa, Southern India, which is planning to industrialize bamboo paper production. Inquiries have also been received from the Philippines, Formosa, Burma and Brazil for technical guidances in their projects of making paper from bamboo. Nitto Paper, one of the enterprises under the supervision of Mr. Aichihiro Fujiyama, Foreign Minister, was engaged in the production of pulp from bagasse before the war under the name of Formosan Pulp K.K. After the re-birth under the present name, the Com-

pany has succeeded in industrializing the manufacture of paper from bamboo by a new kraft process. Its annual production at the Ogi plant (Yamaguchi Prefecture) stands at 5,000 tons, and is planning a new plant at Kumamoto with the annual capacity of 26,000–27,000 tons. With the world timber resources steadily on the wane, the production of paper from bamboo is attracting international attention. It is recalled that the Henry Foundation Laboratory at Savannah, Georgia (U.S.) has also succeeded in its study of the same process of paper manufacturing.

### **Shimura Kako Lowers Nickel Price:**

—Shimura Kako K.K. (a ¥2,000 million company engaged in smelting nickel) announced the lowering of the domestic prices of nickel ingots by ¥200,000–250,000 per ton, effective with August shipments. According to the new price list, high-purity nickel is priced at ¥1,900,000 and nickel for melting at ¥1,750,000, both per ton. The new price cut came close on the heels of another curtailment announced for July shipments. With nickel for melting quoted at ¥2,350,000 in March this year, the new price is some ¥600,000 lower. Shimura Kako sold 2,119 tons during the period from December, 1956 to May, 1957, but the sales for the current term (June to November, 1957) are estimated to slip to 1,700 tons because of the weakening metal market. Meanwhile, the Company reportedly is planning to start the production of 18–8 stainless steel from September at the monthly capacity of 500 tons in an endeavor to cope with the possible production expansion by INCO in the near future.

### **Nippon Geon's Synthetic Rubber:**

—Nippon Geon is now ready to start manufacturing synthetic rubber on an industrial scale following the grant of a governmental permission under the date of July 16. The Company is scheduled to complete by the spring of 1959 the erection of a new synthetic rubber plant in the City of Kawasaki near Tokyo with the annual capacity of 8,500 tons (including 3,000 tons of GRS, 2,800 tons of GRS latex, 1,200 tons of high-styrene rubber, and 1,500 tons of acrylonitrile rubber and latex). The Company expects to spend ¥1,700 million for the new plant, including ¥1,500 million for plant-equipment spending and ¥200 million as an operating fund, and to import techniques from B.F. Goodrich Chemical (U.S.) Nippon Geon was established in 1950 jointly by three Furukawa affiliates (Yokohama

Rubber, Nippon Light Metal and Furukawa Denko) and Goodrich (U.S.), and has since been engaged in the manufacture of vinyl chloride at the monthly capacity of 2,000 tons (to be boosted to 3,000 tons by the end of the year). Capitalized at ¥1,000 million, the Company is giving a 15% dividend. With the industrialization of synthetic rubber production, however, the Company is expected to double capital to ¥2,000 million.

### **Autocycle Exports by Honda Giken:**

—Honda Giken Kogyo, top manufacturer of motorcycles, is planning to push exports in real earnest. This decision has been made by the management on the occasion of the latest price cut of its autocycles (350CC Dream model by ¥13,000 to ¥174,000; 250CC Dream model by ¥13,000 to ¥169,000; and Benly model by ¥7,000 to ¥125,000), effective with August shipments. Honda Giken Kogyo, which made its start as an individual enterprise of Mr. Soichiro Honda in September, 1948 with a capital of ¥1,000,000, at first specialized in the manufacture of bicycle engines but later took to the production of motorcycles. With the monthly production of 7,500 autocycles, the Company has grown into the largest of motorcycle makers in this country, and its capital has swelled to ¥360 million (as of May 15, 1957). According to the management, the new prices of its autocycles, made possible through the rationalization of manufacturing procedures and purchasing methods of raw and processed materials, will enable the Company to compete with the cream of world motorcycle manufacturers on the international market.

### **Hokushin's Technical Renovation:**

—Hokushin Electric Works (capitalized at ¥528 million), the oldest of industrial metre manufacturers in this country, has made another gigantic advance in the technical phase with the signing of a tie-up contract with Fischer & Porter Co. (of Pennsylvania, U.S.) in March, this year, for the induction of the latter's technique. The arrangement is due to take effect immediately upon the permission of the Japanese Government. The contract calls for the extension of technical guidances by the U.S. firm for the manufacture of various equipments of the digital data reduction system, affiliated metres and conduction equipments. Fischer and Porter Co. supplies about 50% of metres of various types imported to Japan, and about 90% of Fischer & Porter products supplied to Japan are flow-metres, viscosity metres, pulp density meters, turbine-type flow metres, supersonic-wave flow-metres, etc. Through the present technical tieup, Hokushin Electric Works is attempting to get these high-precision metres manufactured in Japan. Equipments for the digital data reduction system are bound to enjoy a big demand in this country parallel with the progress of automation.



## Book Review

### Japanese Cookbook (*Tourist Library Vol. 11*)

by Aya Kagawa, M.D.

Japan Travel Bureau, Tokyo, 1957. 162 pp., with 3 photos in color, 40 photos in black and white, and 86 cuts. ¥500 in Japan; \$3.00 abroad.

Was it Eve in the Garden of Eden who first discovered that "The way to a man's heart is through his stomach?" Whatever the source, that homely adage carries a world of wisdom, and so, to learn the true heart of the Japanese, you must explore the secrets of his kitchen.

The book under review, now in its 10th edition, covers all of those secrets, which range from the why of Japanese food, its nutritive value, and table etiquette to 100 favorite Japanese recipes for Western cooks.

Author Dr. Kagawa tells you—with the help of some really wonderful illustrations—so simply, and yet so clearly that most, if not necessarily all, of those 100 Japanese dishes will easily become your favorite "must-eats."

Dr. Kagawa is culinary expert and president of the Women's Nutrition College in Tokyo. A few years ago she was invited to Hawaii by the Honolulu Junior Chamber of Commerce to conduct a series of lectures on Japanese cooking and give practical demonstrations of many typical Japanese dishes included in her book.

(K.Y.)

### Foreign Trade and Industrial Development of China

—An Historical and Integrated Analysis through 1948

by Yu-Kwei Cheng.

University Press of Washington, D.C. 1956. pp. 278 \$7

Led by Britain since June 1957, western European countries, one following on the heels of another, relaxed the restrictions on export to the mainland China. The Japanese government took similar steps on July 16. The commercial battle is on to make further inroads in the Chinese continent.

But how strong is the purchasing power of the people in the mainland? This is the greatest problem for those countries who try to develop their trade to the Chinese market.

Beginning the story of China's foreign trade with as early a period as before the 16th century, the book discusses its long history divided into the following periods: (1) before 1913, (2) 1913-36, (3) 1937-45, and (4) 1946-48. The author analyses the modernization and industrialization of China by examining the vicissitudes of its foreign trade. Thus he tries to give overall picture of the Chinese economy as it developed through these periods.

Of especial interest to us is the author's exposition on the economic change that occurred during 1937-45, because few source materials on the economy of China of this period (particularly after 1942) have been available to us.

What can be regarded as having direct connection with the problem of China's power of buying from abroad is the chapter in which the study of how China has solved the problem of balancing her international payments is made. The study is highly suggestive to the present problems of trade with China and includes many relevant problems worth re-examining.

The author is Senior Economist, Institute of Social Sciences, Academia Sinica, and Deputy Director, Institute of Economic Research, National Resources Commission, Nanking, China.

(J.Y.)

### Introduction to Keynesian Dynamics

by Kenneth K. Kurihara

George Allen and Unwin, 1956. pp. 222. 21s.

A sequel to Professor Kurihara's *Post-Keynesian Economics*, this is probably the first book to take the student into the realms of modern macro-dynamic economics—the function of economy as a dynamic whole. It opens with a comparison of the relative merits of the macro-economic method and of the study of the individual firm, and continues to analyse dynamic systems involving discrete and continuous changes, the sequence of casually related events, and the behavior of macro-variables and aggregative relationships in dynamic settings. It treats in particular the behavior in time of national income, employment and prices. The author has laid greater stress on the laws of motion than on manipulative technique to provide a concise study of dynamic theories of cyclical fluctuations and secular growth analysis—the two prominent post-Keynesian developments in this field. (M.K.)

### The Cotton Industry in Britain

by R. Robson MacMillan, 1957. pp. 364. 60s.

The cotton industry in Britain after World War II experienced a series of difficulties. It seemed unable to regain the old prosperity. One of the major difficulties besetting it has been a lack of labor, its deterioration in quality, and high wages. These are well known.

The labor for the cotton industry now consists of older people, than before. The labor shortage compels the cotton industry to depend on part time work by married women and to see supplementary force from among immigrants. Thus the worsening labor quality were inevitable. Accordingly the labor productivity is low. Yet the industry has had to pay high wages and its expense for welfare facilities has been large.

To meet the situation, the modernization of equipment has been urgently required and accomplished to some extent.

However, the room for further innovation is limited in the already matured technological development of the cotton industry. So it is difficult for Britain to make further technological development something spectacular. On the other hand, under-developed countries find it far easier to catch up advanced countries in developing their cotton industries for the very reason that makes it difficult for advanced countries to make great strides in their already well advanced cotton industries.

Under-developed countries have further advantages: their wage levels are low and they are often producers of cotton and thus are able to use the material with less cost.

Thus beset with unfavorable conditions, Britain's cotton goods exports have declined. Worse still, if the worsening conditions are left unchecked, Britain may see foreign cotton goods even in her own domestic market. Another threat comes from the development of synthetic fibres as rayon spun rayon and the present stage for the production of these man-made fibres offers much easier scope for innumerable new devices. Fertile of innovations, the man-made fibre industry can steadily lower the prices for its products.

The history of the cotton industry in Britain in such predicaments, suggest what difficulties the future holds for the cotton industry in Japan. Mr. Robson's "The Cotton Industry in Britain" analyses in detail from various angles the process of development of British cotton industry for the past forty years. It is quite suggestive to us who have concern about the cotton industry in Japan, but the outlook it gives is not bright.

(S.S.)



## 1. Business Indices

Items	Units & Standards	1954	1955	1956	1957						1956
		Average	Average	Average	Feb.	Mar.	Apr.	May	June	July	July
<b>Finance &amp; Banking</b>											
Treasury Acct. with the Public (6).....	Fiscal Year -	(→) 1,900	(→) 2,766	1,634	958	246	(→) 205	936	1,046	171	(→) 4
Bank of Japan Accounts (1) End of Year or Month	¥100,000,000										
Bank Note Issue .....	¥100,000,000	6,220	6,738	7,848	6,586	6,662	6,837	6,390	6,771	6,635	5,975
Loans Total .....	"	2,433	319	1,399	2,415	2,763	2,726	3,243	4,754	4,838	4,956
Foreign Exchange Loans .....	"	218	127	30	22	15	14	7	7	0	7
Government Bonds .....	"	4,835	5,536	5,867	3,439	5,099	3,610	2,997	2,179	2,431	4,639
Postal Savings and Postal Transfer Savings (2) End of Year or Month .....	"	4,363	5,166	6,327	6,579	6,652	6,651	..	..	..	5,334
All Banks Account (1) End of Year or Month	"										
Deposits .....	"	30,366	37,243	47,642	47,021	49,719	48,988	49,575	..	..	39,379
Loans .....	"	29,119	31,958	40,661	41,575	43,012	43,277	43,903	..	..	32,902
<b>Stocks</b>											
Average Share Price (Tokyo Stock Exchange) (3)											
Dow Jones .....	Yen	340.79	374.00	485.33	573.99	567.73	587.55	547.58	524.70	495.89	496.80
Simple Arithmetic Means .....	"	110.94	108.17	126.43	126.10	124.38	127.36	118.00	112.66	104.73	132.44
Tokyo Stock Exchange (3)											
Total Turnovers .....	Million Stock	1,238	2,505	6,692	751	711	820	775	444	478	417
Investment Yields .....	%	9.44	7.96	6.68	6.44	6.37	6.42	7.17	7.29	7.87	6.51
<b>Prices</b>											
Bank of Japan Wholesale Price Indices (1)											
Total Average .....	1934-36=100	34,920.8	34,293.1	35,793.8	37,347.0	37,347.0	37,312.0	37,136.8	36,996.6	36,646.3	35,595.3
Total Average .....	1952=100	99.7	97.9	102.2	106.6	106.6	106.5	106.0	105.6	104.6	101.6
Producer Goods .....	"	96.7	95.1	104.0	109.6	109.6	109.9	109.4	108.8	107.2	103.0
Consumer Goods .....	"	103.6	101.6	99.7	102.7	102.6	102.2	101.5	101.4	101.1	99.7
Consumers Price Indices (4)											
All City Average .....	1951=100	119.1	117.8	118.4	121.5	122.4	122.6	123.4	122.8	..	118.8
Tokyo .....	"	118.1	116.4	117.5	119.4	120.6	120.7	121.8	121.6	122.3	115.0
Tokyo Retail Price Indices (1) .....	1952=100	106.9	102.4	102.1	102.4	104.1	105.3	105.7	104.5	106.0	103.1
Tokyo Living Cost Indices (5) .....	1946=100	850.2	847.4	832.3	860.3	868.9	879.1	883.8	874.4	861.9	838.3
Foreign Trade Price Indices (6)											
Exports .....	July, 1949-June, 1955=100	123.0	123.5	128.9	130.5	129.9	129.8	128.3	127.2	..	127.9
Imports .....	"	105.7	106.5	104.5	107.4	107.1	106.7	106.5	105.8	..	104.0
<b>Foreign Trade</b>											
Exports & Imports (6)											
Exports .....	Million Dollars	1,629	2,011	2,501	213	274	225	237	210	251	198
Imports .....	"	2,399	2,471	3,230	344	393	433	451	392	389	276
Balance .....	"	(→) 770	(→) 461	(→) 729	(→) 131	(→) 119	(→) 208	(→) 214	(→) 181	(→) 138	(→) 79
Foreign Trade Volume Indices (6)											
Exports .....	1953=100	133.3	174.1	207.9	212.6	267.9	218.0	231.9	..	..	195.1
Imports .....	"	103.6	108.9	138.3	168.9	183.9	205.2	210.9	..	..	143.0
Foreign Exchange Accounts (1)											
Total Receipts .....	Million Dollars	221	267	323	277	300	298	310	285	..	295
Total Expenditure .....	"	229	217	293	340	354	355	407	399	..	253
Balance .....	"	100	494	293	(→) 63	(→) 54	(→) 57	(→) 97	(→) 114	..	42
Foreign Currencies Holdings (6)* .....	"	1,053.6	1,316.7	1,421.1	1,284.4	1,192.1	1,112.7	1,001	..	..	1,440.5
<b>Production &amp; Inventories</b>											
Industrial Activities Indices (7)											
Whole Industries .....	1934-36=100	173.5	187.9	228.7	243.3	254.9	259.5	▲ 268.1	264.9	..	224.2
Mining & Manufacturing .....	"	166.9	180.7	220.5	234.6	245.9	250.4	▲ 258.7	255.8	..	216.2
Manufacturing .....	"	173.8	189.4	232.8	248.0	261.3	265.1	▲ 273.8	271.1	..	227.8
Producer Delivery Indices (8)											
Mining & Manufacturing .....	1950=100	172.6	188.1	▲ 226.4	252.2	262.1	265.2	▲ 269.7	261.8	..	220.4
Manufacturing .....	"	181.8	198.2	240.0	268.4	279.7	283.3	▲ 287.5	278.7	..	234.7
Raw Material Inventories Indices (8) .....	"	165.7	155.3	▲ 190.6	222.3	234.7	260.2	▲ 276.0	289.9	..	195.5
Producers Good Inventories Indices (8)											
Mining Manufacturing .....	"	155.5	144.4	134.4	144.1	143.0	149.3	▲ 162.4	179.1	..	135.3
Manufacturing .....	"	158.9	148.6	144.0	155.9	154.9	161.9	▲ 176.2	195.8	..	145.1
Sellers Inventories Indices (8) .....	22 items surveyed	109.2	113.6	128.2	139.5	141.7	150.1	152.8	..	..	123.8
Warehouse Inventories Indices (8 Big-gest Cities) (9)											
Volume .....	1,000 tons	1,699	2,059	2,807	2,723	..	..	..	..	..	2,072
Value .....	¥100,000,000	108,482	131,606	179,027	177,379	..	..	..	..	..	133,572
Railroad Carloadings Indices (10) .....	1941=100	105.6	105.9	113.4	121.2	111.7	119.0	118.0	125.0	..	115.4
All Japan Department Sales Indices (8)	"	22,193.7	23,668.9	28,867.2	23,543.2	34,759.0	31,983.3	..	..	..	24,226.7
<b>Labor, Household Budget</b>											
Employment Indices (Regular Employees) (11)											
All Industries .....	1951=100	111.4	110.0	113.3	115.5	117.0	120.8	120.9	..	..	113.7
Manufacturing .....	"	113.0	111.5	116.1	119.2	121.2	126.9	127.0	..	..	116.6
Employment Total (4) .....	10,000	4,014	4,150	4,228	4,067	4,230	4,332	4,409	..	..	4,399
Total Unemployment (4) .....	"	58	68	64	61	82	59	46	..	..	62
Regular Employee Cash Wage Total (11)											
All Industries .....	Monthly · yen	17,898	18,624	20,201	17,623	18,824	18,765	17,992	..	..	17,117
Manufacturing .....	"	16,309	16,717	18,348	16,433	16,039	16,694	16,411	..	..	15,623
Regular Employees Real Wage Indices (11)											
All Industries .....	1951=100	125.5	134.3	145.9	124.0	131.5	130.8	124.6	176.1	..	168.8
Manufacturing .....	"	119.3	126.7	139.7	122.0	118.1	122.8	119.9	162.4	..	155.1
Wage Earners Household Budget (All Cities) (4)											
Income .....	Monthly · yen	28,283	29,169	30,776	26,106	29,000	28,488	28,098	28,098	..	26,679
Expenditure .....	"	26,428	26,786	27,543	24,167	28,287	26,601	26,389	26,389	..	25,128
Wage Earners Household Budget (Tokyo) (4)											
Income .....	"	33,701	34,845	36,122	30,148	34,092	33,603	34,071	..	..	31,751
Expenditure .....	"	31,450	32,388	32,603	28,715	33,165	30,888	31,751	..	..	29,500
<b>Consumer Standards (7)</b>											
All Japan .....	1951 F.Y.=100	123.7	127.8	135.2	132.7	136.6	..	..	..	..	131.9
All Cities .....	"	128.5	134.9	145.1	139.6	143.8	146.5	140.8	148.1	..	141.5
Farm Area .....	"	116.5	117.1	120.4	122.3	125.7	..	..	..	..	123.5

Sources: (1) Bank of Japan, (2) Ministry of Postal Services, (3) Tokyo Stock Exchange, (4) Statistics Bureau, Prime Minister's Office, (5) The Oriental Economist, (6) Finance Ministry, (7) Economic Planning Board, (8) MITI, (9) Transportation Ministry, (10) Japanese National Railway, (11) Labor Ministry. Notes: \* End of Year or Month. ▲ Revised at source.



## 2. Treasury Accounts with the Public

(In ¥100,000,000)

(Ministry of Finance.)

Items	Fiscal 1956						Fiscal 1957				Fiscal 1956
	Apr.- June	July- Sept.	Oct.- Dec.	Mar. 1957	Jan.- Mar.	Total	Apr.	May	June	July	July
General Account											
Revenue											
Taxes .....	2,002	2,216	2,383	1,052	2,616	9,217	662	653	1,183	809	740
Monopoly .....	336	255	155	113	254	1,000	122	136	108	75	68
Others .....	163	97	150	78	134	546	86	34	27	26	24
Total .....	2,501	2,570	2,688	1,243	3,004	10,763	830	823	1,318	910	832
Expenditure											
Security Forces .....	118	108	129	56	156	511	103	28	14	105	83
Defense Agency .....	267	158	250	82	197	872	148	110	66	54	53
Public Works Expenditure .....	340	250	446	183	262	1,298	163	62	48	66	66
Local Finance Equalization Grants ..	748	460	416	217	258	1,882	449	0	451	38	36
Compulsory Education Expenditure ..	191	166	238	49	158	753	63	152	0	51	121
Others .....	925	698	1,053	337	770	3,446	452	259	291	290	223
Total .....	2,689	1,840	2,532	924	1,801	8,762	1,378	611	870	604	582
Balance .....	→ 88	730	156	319	1,203	2,001	→ 548	212	448	306	250
Special Accounts and Others											
Foodstuff Control .....	589	→ 401	→ 1,024	278	844	→ 1	379	350	275	→ 423	→ 299
Trust Fund Bureau .....	→ 200	→ 82	→ 283	→ 407	→ 427	→ 992	→ 70	→ 95	→ 86	→ 65	→ 66
Industrial Investment .....	28	43	→ 22	66	53	102	→ 69	→ 18	→ 3	→ 8	→ 17
National Railways and Nippon Tele- graph & Tel. Public Corporation ..	147	→ 16	→ 120	→ 142	→ 19	→ 8	→ 30	16	→ 58	→ 3	→ 34
Finance Corporation .....	→ 157	→ 176	→ 280	108	221	→ 834	→ 73	→ 68	→ 87	→ 80	→ 54
Others .....	→ 28	267	→ 121	78	539	899	138	81	129	139	69
Total .....	370	→ 365	→ 1,608	→ 235	769	→ 834	→ 1	266	170	→ 418	→ 401
Adjustment Items .....	→ 94	→ 1	49	→ 147	→ 121	→ 167	30	→ 18	→ 7	→ 22	50
Foreign Exchange .....	→ 94	→ 21	→ 13	309	762	634	314	476	485	305	97
Balance .....	94	343	→ 1,416	246	2,613	1,634	→ 205	936	1,046	171	→ 4

## 3. Monthly Report of All Banks

(May, 1957: Excluding Bank of Japan)

(In million yen)

(Bank of Japan)

	All Banks						Trust	
	Debtenture Issuing Banks (2)	City Banks (13)	Local Banks (65)	Trust Banks (6)	Total (86)	Leftover from Pre. mo.	Month- end, pre- vious year	Account (17)
Deposits								
Current Deposits .....	13,394	740,988	151,239	42,937	948,560	974,721	736,397	—
Ordinary Deposits .....	7,280	577,549	352,650	13,178	955,660	952,201	812,606	—
Deposits at Notice .....	22,159	227,326	55,722	27,106	332,315	329,252	252,298	—
Time Deposits .....	11,186	1,378,126	779,334	41,585	2,210,233	2,170,877	1,705,142	—
Special Deposits .....	7,222	188,175	53,968	8,981	258,347	202,064	179,127	—
Instalment Savings .....	—	36,384	102,481	610	139,477	137,270	128,034	—
Deposits for Tax Payment .....	88	4,940	2,457	292	7,778	10,206	7,390	—
Deposits of Gov't and Gov't Agencies .....	752	103,783	—	—	104,535	121,351	116,247	* 170,601
Other Deposits .....	—	791	—	—	791	842	571	** 174,592
Total .....	62,083	3,258,065	1,497,856	139,694	4,957,699	4,898,847	3,937,865	—
Borrowed Money .....	14,339	317,258	1,604	5,881	339,084	291,301	64,036	—
Borrowings for Settlement of Import Bills ..	1,185	69,521	318	663	71,689	62,025	948	—
Call Money .....	5,840	122,742	7,978	14,608	151,169	162,860	94,529	—
Cash and Deposits								
Cash in Hand .....	15,718	655,826	100,951	28,700	801,196	788,090	525,453	2,098
Deposits with Domestic Money Organs .....	1,446	7,101	17,515	2,365	28,429	28,787	31,122	2,580
Call Loans .....	7,326	12,853	53,008	1,870	75,057	84,018	58,552	21,814
Securities								
Government Bonds .....	1,759	38,609	10,779	888	52,037	51,983	67,529	78
Local Government Bonds .....	2,652	33,582	35,725	369	72,329	65,102	44,610	1,641
Foreign Bonds .....	—	2,499	—	—	2,499	2,499	2,358	3
Corporate Debentures .....	12,362	242,436	187,944	6,926	449,669	435,698	405,357	4,979
Stocks .....	10,931	69,846	23,895	4,401	109,075	107,570	73,987	2,533
Other Bonds .....	314	282	1,034	1,859	3,491	3,205	2,168	23
Total .....	28,020	387,257	259,379	14,445	689,102	666,060	596,012	9,260
Advance								
Discount Bills .....	11,778	984,228	343,703	69,554	1,400,264	1,396,015	1,097,660	14,917
Bank Acceptance Bills .....	—	943	13,438	76	14,458	13,973	13,241	—
Commercial Bills .....	11,778	982,507	329,088	69,474	1,392,847	1,379,545	1,081,629	—
Documentary Bills .....	—	777	1,177	3	1,958	2,496	2,729	—
Advances against Guarantee .....	401,900	1,569,078	840,974	61,511	2,873,524	2,832,787	2,139,026	305,979
Loans on Bills .....	45,733	1,512,368	788,977	39,856	2,406,936	2,376,524	1,784,586	101,848
Loans on Deeds .....	356,226	20,715	39,544	1,223	417,709	406,507	318,719	59,846
Overdrafts .....	—	35,994	12,452	431	48,787	49,755	35,720	—
Loans for Settlement of Import Bills .....	1,751	102,828	1,926	1,202	107,708	98,951	53,594	—
Total .....	415,489	2,656,134	1,186,604	132,268	4,390,497	43,27,753	3,290,221	320,897

Note: \* Money in trust total. \*\* Loan trust.



## 4. Bank of Japan Ten-day Report

(In million yen)

(Bank of Japan)

Items	1957			1956
	July 10	July 20	July 31	July 31
<b>LIABILITIES</b>				
Bank Notes Issued .....	634,906	628,026	663,569	597,512
Bankers' Deposits .....	8,169	6,948	6,455	6,939
Government Deposits .....	41,218	38,556	44,438	46,626
Other Deposits .....	61,011	60,787	61,271	28,719
Inter-Bank Remittance Deposits .....	—	—	—	—
Reserves Against Contingencies .....	31,208	31,208	31,208	26,908
Other Liabilities .....	99,108	40,669	41,362	35,381
Capital Stock .....	100	100	100	100
Reserve Funds .....	16,373	16,373	16,373	14,286
<b>Total .....</b>	<b>832,068</b>	<b>822,671</b>	<b>864,781</b>	<b>756,475</b>
<b>ASSETS</b>				
Bullion .....	447	447	447	447
Cash .....	4,002	3,941	3,926	3,650
Discounted Bills .....	49,557	53,574	51,755	12,986
Loans .....	426,360	402,151	432,128	49,561
Foreign Exchange Loans .....	—	—	—	7,415
Advances to Government .....	—	—	—	—
Government Bonds .....	197,494	220,446	243,153	463,991
Foreign Ex. Accounts .....	111,673	97,317	91,528	177,533
Inter-Bank Remittance .....	—	—	—	—
Agencies Accounts .....	10,787	13,263	10,017	9,153
Other Assets .....	31,774	31,528	31,823	31,723
<b>Total .....</b>	<b>832,098</b>	<b>822,671</b>	<b>864,781</b>	<b>756,475</b>

## 5. Outstanding Loans to Industries by All Banks

(In million yen)

(Bank of Japan)

End of Month	March, 1957			April, 1957		
	Loans Total	For Equipments	For Co. of ¥10 Million or less	Loans Total	For Equipments	For Co. of ¥10 Million or less
Manufacturing total .....	2,002,521	218,019	637,817	2,014,772	227,379	602,983
Foodstuffs .....	205,468	10,889	102,672	204,800	11,098	101,855
Textiles .....	445,284	41,395	165,953	446,629	42,831	162,537
Wood and Wood Products .....	78,006	2,000	65,443	78,483	2,047	65,923
Paper & Related Products .....	116,023	17,341	20,385	117,733	17,777	19,986
Printing & Publishing .....	41,675	4,732	16,332	41,246	4,756	15,810
Chemicals .....	248,435	43,316	32,462	249,062	46,674	32,613
Glass & Ceramics .....	69,519	14,289	15,317	70,934	14,599	15,533
Primary Metals .....	231,636	39,172	28,884	232,539	40,105	28,986
Machinery .....	99,861	5,940	44,233	100,168	6,153	43,924
Electric Machinery & Tools .....	138,384	12,496	17,364	140,224	13,056	17,241
Trans. Machinery & Tools .....	142,784	10,148	19,570	143,829	10,731	19,433
Agriculture .....	12,765	545	12,479	13,516	564	13,239
Forestry & Hunting .....	11,356	65	9,327	11,095	58	8,874
Fishing .....	50,747	16,068	18,552	53,366	17,045	18,841
Mining .....	92,531	17,373	12,752	90,258	17,276	12,412
Metal Mining .....	18,549	4,272	805	18,846	4,544	740
Coal Mining .....	62,703	10,455	8,659	60,259	9,997	8,393
Construction .....	95,066	1,270	42,517	91,041	1,291	40,161
Wholesale & Retail .....	1,350,407	15,889	672,761	1,362,156	16,311	670,348
Wholesale .....	1,233,945	9,833	589,047	1,245,807	10,172	587,112
Retail .....	116,462	6,055	83,714	116,349	6,138	83,235
Finance Insurance .....	68,329	87	10,226	72,389	152	50,105
Real Estate .....	28,454	10,223	13,609	29,613	10,674	13,923
Trans. & Public Utilities .....	342,284	234,855	24,277	347,595	240,680	24,386
Railways .....	32,923	13,209	157	32,969	13,159	187
Shipping .....	107,561	70,402	9,444	109,314	72,313	9,323
Electric .....	129,872	127,002	34	133,187	130,652	27
Services .....	61,348	21,744	56,019	60,806	21,781	55,190
Local Public Corporation .....	81,637	18,893	—	85,960	18,920	—
Others .....	55,212	2,812	55,094	55,306	2,847	55,188
<b>Total .....</b>	<b>4,252,663</b>	<b>557,848</b>	<b>1,535,436</b>	<b>4,277,879</b>	<b>575,084</b>	<b>1,525,656</b>

## 6. Tokyo-Osaka Call-Money and Its Rates

(Bank of Japan)

Year & Month	Tokyo			Osaka		
	Rate	Balance at the End of the Month (million yen)	Rate	Balance at the End of the Month (million yen)	Rate	Balance at the End of the Month (million yen)
1957: Jan. ..	2.30	2.00	70,797	2.35	2.00	25,430
Feb. ..	2.70	2.63	70,751	2.65	2.60	26,721
Mar. ..	3.00	2.90	73,750	3.10	3.00	25,057
Apr. ..	2.30	2.10	84,611	2.40	2.10	33,750
May ..	2.65	2.35	74,921	3.20	2.40	34,915
June ..	5.00	4.50	69,225	4.60	4.60	25,845
1956: June ..	1.75	1.70	47,234	1.80	1.70	19,092

## 7. Postal Savings &amp; Postal Transfer Savings

(In million)

(Ministry of Postal Services)

End of Month	Postal Savings			Postal Transfer Savings	Total
	Receipts	Payments	Balance		
1956: Nov. ....	46,543	42,978	599,357	7,344	606,701
Dec. ....	76,089	52,068	623,379	9,378	632,757
1957: Jan. ....	67,580	43,669	647,289	6,973	654,262
Feb. ....	50,905	47,295	650,900	7,098	657,998
Mar. ....	64,236	58,233	656,902	8,324	665,226
Apr. ....	68,324	66,457	658,769	6,307	665,076
1956: Apr. ....	50,452	48,757	528,029	5,325	533,354

## 8. Bank Clearings

(In billion yen)

(Tokyo Clearing House)

Year & Month	All Clearing		Tokyo		Osaka	
	No. of Bills	Amount	No. of Bills	Amount	No. of Bills	Amount
1956: Sept. ..	(1,000)	3,457	(1,000)	1,591	(1,000)	338
Oct. ..	13,014	3,779	5,178	1,727	2,641	992
Nov. ..	12,511	3,599	4,995	1,599	2,544	872
Dec. ..	16,361	4,718	6,466	2,068	3,314	1,137
1957: Jan. ..	11,108	3,460	4,427	1,561	2,146	785
Feb. ..	11,966	3,619	4,763	1,633	2,437	851
Mar. ..	12,755	4,301	5,145	1,933	2,566	1,001
Apr. ..	13,168	4,235	5,244	1,885	2,692	985
May ..	13,766	4,129	5,510	1,840	2,797	969
1956: May ..	12,106	3,041	4,863	1,405	2,454	715

## 9. Average Yields of Debentures

(Industrial Bank of Japan)

Month	Gov't Bonds	Financial Debenture		Industrial Debenture
		Interest Bearing	Discount	
1956: September ..	6.324	7.204	6.224	7.380
October ....	6.331	7.204	6.224	7.372
November ....	—	7.204	6.224	7.372
December ....	6.342	7.204	6.224	7.388
1957: January .....	—	7.204	6.224	7.362
February .....	6.362	7.204	6.224	7.375
March .....	6.324	7.204	6.224	7.360
April .....	6.331	7.204	6.224	7.360
May .....	—	7.204	6.224	7.367
1956: May .....	—	7.411	6.224	7.674

## 10. Government Bonds

(In million yen)

(Bank of Japan)

End of Month	Government Bonds			Foreign Exchange Fund Bills			Food Notes			Outstanding Amounts of Corporate Debentures
	Issue	Redemption	Balance	Issue	Redemption	Balance	Issue	Redemption	Balance	
1957: January .....	88	73	408,655	8,000	47,993	99,044	138,012	189,926	298,153	805,852
February .....	482	509	408,627	35,000	76,044	58,000	72,374	186,141	234,386	701,013
March .....	22,333	21,620	409,343	65,054	42,973	80,081	177,435	82,012	329,809	819,233
April .....	696	670	409,369	25,000	46,813	58,263	185,582	289,315	226,076	693,713
May .....	82	40	409,411	39,076	68,220	29,124	35,663	74,484	196,158	624,693
1956: May .....	838	631	426,309	63,000	97,000	122,900	67,791	111,000	215,140	763,449

## 11. Corporate Debentures &amp; Public Corporation Bonds

(In million yen)

(Industrial Bank of Japan)

End of Month	Corporate Debentures									Public Corporation Bonds		
	Banking Bonds			Industrial Bonds			Total					
	Issue	Redem- ption	Balance	Issue	Redem- ption	Balance	Issue	Redem- ption	Balance	Issue	Redem- ption	Balance
1957: February ..	18,404	14,500	418,005	11,785	3,256	304,090	30,189	17,757	722,095	2,677	298	108,555
March ....	19,342	14,891	422,455	10,875	3,348	311,616	30,217	18,239	734,071	5,558	—	114,114
April .....	18,308	12,552	428,211	12,710	3,686	320,640	31,018	16,238	748,851	3,850	400	117,565
May .....	17,469	12,238	433,443	11,870	3,374	329,135	29,339	15,612	762,578	3,537	271	120,831
June .....	16,198	11,992	437,648	3,890	3,712	329,313	20,088	15,704	766,961	2,647	—	123,479
1956: June .....	16,692	14,260	381,641	7,402	2,883	247,547	24,094	17,144	629,188	717	—	85,631

## 12. Contracts &amp; Investments of Mutual Life Insurance Companies

(In million yen)

(Mutual Life Insurance Association)

End of Month	Mid-Month Contract Amounts	End-Month Contract Amounts	Loans Total	Call Loans	Negotiable Securities			Real Estate	Cash & Deposits	Others
					Total	Debentures	Stocks			
1956: December ..	113,922	2,703,213	103,497	5,205	96,548	9,770	82,879	24,149	3,921	4,828
1957: January ....	95,732	2,747,401	102,607	5,994	100,999	10,152	86,910	24,523	3,464	4,485
February ..	94,183	2,792,011	106,847	6,966	101,457	10,887	86,530	25,130	3,165	4,521
March .....	..	..	110,151	7,777	101,558	11,059	86,289	25,379	7,463	4,756
1956: March ....	120,785	2,249,969	93,896	3,770	64,030	5,801	57,059	19,788	7,359	4,079

## 13. Contracts &amp; Investments of Loss Insurance Companies

(In million yen)

(Loss Insurance Association)

End of Month	Mid-Month Contract Amounts	End-month Contract Amounts	Loans Total	Call Loans	Negotiable Securities			Real Estate	Cash & Deposits	Others
					Total	Debentures	Stocks			
1956: December ..	1,915,341	8,067,626	8,684	4,672	48,316	1,893	43,029	14,808	24,668	424
1957: January ....	1,670,552	8,192,712	8,982	4,812	51,991	1,398	46,447	14,892	22,664	659
February ..	1,663,309	8,343,328	9,170	5,646	52,494	1,704	46,555	14,395	23,632	697
March .....	..	..	9,791	3,774	52,171	1,999	45,657	14,494	27,244	1,021
1956: March ....	1,420,759	6,764,441	10,150	2,945	33,876	1,483	29,682	12,773	24,804	1,200

## 14. Stock Issue Plan &amp; Paid-Up Capital

(In million yen)

(Ministry of Finance)

Year & Month	Stock Issue Plan						Paid-Up Capital					
	Over ¥50 million		Under ¥50 million		Total		Over ¥50 million		Under ¥50 million		Total	
	No. of Effective Cases	Increase in Capital	No. of Effective Cases	Increase in Capital	No. of Effective Cases	Increase in Capital	No. of Effective Cases	Increase in Capital	No. of Effective Cases	Increase in Capital	No. of Effective Cases	Increase in Capital
1957: January .....	4	876	588	6,565	592	7,441	178	77,134	866	11,340	1,047	88,475
February .....	8	835	409	3,650	417	4,485	2	135	302	2,522	304	2,677
March .....	16	4,925	522	5,397	538	20,322	—	—	473	4,322	473	4,322
April .....	17	6,146	443	9,764	460	15,910	—	1,122	540	10,057	552	11,181
May .....	14	4,729	524	7,264	538	11,993	9	1,240	430	7,473	439	8,713
June .....	45	36,802	536	5,475	581	42,227	21	12,301	507	4,951	528	17,253
1956: June .....	49	21,121	488	8,522	537	29,643	26	8,207	422	6,209	448	14,416

## 15. Tokyo Wholesale Price Indices

(1952=100)

(Bank of Japan)

Year & Month	Total Average	Agricultural Products	Textiles	Fuels	Metal & Machinery	Building Materials	Chemical Products	Sundries	By Uses		
									Pro-ducer's Goods	Capital Goods	Con-sumer's Goods
1957: March .....	106.6	105.8	84.2	112.4	118.6	137.8	88.3	94.2	109.6	127.1	102.6
April .....	106.5	106.3	84.3	110.4	117.6	138.3	88.8	94.0	109.9	127.0	102.2
May .....	106.6	106.5	81.8	111.9	116.5	138.8	88.8	93.8	109.4	126.9	101.5
June .....	105.6	106.7	80.0	112.1	115.8	138.1	88.4	93.9	108.8	126.5	101.4
July .....	104.6	106.4	79.2	112.7	112.7	135.4	88.0	93.8	107.2	123.9	101.1
1956: July .....	101.6	103.6	86.2	103.2	109.6	121.9	86.5	92.6	103.0	115.2	99.7

Notes: Food Notes in Table 10 do not include Korean food notes. Public Corporation Bonds are the total of National Railways Bonds and Telephone & Telegraph Corporation Bonds.



16. Tokyo Retail Price Indices

(1952=100)

(Bank of Japan)

Year & Month	Total Average	Agricultural Products	Textile Products	Metal Products	Wood Products	Fuel	Miscellaneous	*Total Average	Total Average (1934-6=100)
1957: February.....	102.4	108.0	90.0	99.2	105.0	128.7	95.2	100.5	30,769.6
March.....	104.1	110.8	90.2	99.1	106.5	127.8	96.1	100.9	31,280.4
April.....	105.3	112.9	90.4	99.2	107.2	131.6	95.8	101.2	31,641.0
May.....	105.7	114.2	88.8	99.1	107.2	130.5	96.2	101.1	31,761.2
June.....	104.5	112.3	87.8	99.1	107.2	127.7	96.6	101.6	31,400.6
July.....	106.0	115.5	86.9	99.1	106.2	126.2	96.6	101.8	31,851.3
1956: July.....	102.9	111.1	88.6	98.2	101.9	106.8	93.9	98.6	30,919.8

17. Consumer Price Indices

(1951=100)

(Bureau of Statistics, Prime Minister's Office)

		Total Average	Food	Staple Food	Nonstaple Food	Clothing	Light & Fuel	Housing	Miscellaneous
All Cities	1957: January.....	121.3	116.6	123.8	112.0	83.5	152.1	151.6	144.7
	February.....	121.5	117.3	124.2	113.1	83.5	151.1	151.8	143.8
	March.....	122.4	118.9	124.4	115.5	83.5	148.8	153.0	144.2
	April.....	122.6	118.6	124.9	114.6	84.0	147.3	154.1	145.6
	May.....	123.4	119.8	126.7	115.5	84.6	146.7	154.4	145.9
	June.....	122.8	188.7	128.1	112.9	84.5	146.9	155.5	145.9
	1956: June.....	188.8	114.6	124.3	108.6	84.4	135.3	144.7	143.3
Tokyo	1957: February.....	119.4	114.4	121.1	110.9	82.7	148.4	145.0	142.2
	March.....	120.6	116.6	121.5	114.1	82.7	146.5	145.8	142.1
	April.....	120.7	116.1	121.8	113.1	81.8	145.0	148.2	144.7
	May.....	121.8	117.4	123.2	114.4	83.9	145.2	148.0	145.0
	June.....	121.6	116.9	124.4	113.0	83.2	145.8	150.6	144.9
	July.....	122.3	117.8	127.2	112.9	83.2	146.0	152.8	145.2
	1956: July.....	115.0	107.8	121.2	100.7	82.8	136.4	143.1	142.0

18. Labor Population Survey

(In 1,000)

(Labor Ministry)

Year & Month	Total (1) Population	Population 14 years old and over						Agriculture & Forestry		Non-Agricultural Industry	
		Total (2)	Labor Force				Not in Labor Force	Not at Work (3)	At Piece-Work (4)	Not at Work (3)	At Piece-Work (4)
			Total of the following three columns	Agriculture & Forestry	Non-Agricultural Industries	Totally Unemployed					
1957: January.....	90,500	63,370	40,900	13,290	27,050	570	22,370	310	7,570	300	4,410
February.....	90,600	63,490	41,280	13,640	27,030	610	22,160	330	6,750	260	3,830
March.....	90,700	63,630	43,120	14,820	27,480	820	20,430	250	6,300	320	4,100
April.....	90,700	63,700	43,910	16,230	27,090	590	19,740	190	5,990	270	4,000
May.....	90,800	63,540	44,550	17,780	26,310	460	18,900	180	3,960	240	3,140
1956: May.....	89,900	62,510	44,610	18,960	25,030	620	17,820	210	4,580	260	3,220

19. Labor Disputes & No. of Participants

(1,000 Participants)

(Labor Ministry)

Year & Month	Dispute Total		Not Accompanied by Dispute Tactics		Accompanied by Disputes									
					Total		Strikes		Lock-outs		Work Slowdown		Business Control	
	No. of Cases	No. of Par- ticipants	No. of Cases	No. of Par- ticipants	No. of Cases	No. of Par- ticipants	No. of Cases	No. of Par- ticipants	No. of Cases	No. of Par- ticipants	No. of Cases	No. of Par- ticipants	No. of Cases	No. of Par- ticipants
1956: Dec. ..	193	534	92	382	104	152	81	52	3	(1,170)	39	134	1	(51)
1957: Jan. ..	47	224	29	208	19	16	13	3	3	(227)	6	15	—	—
Feb. ..	63	406	33	261	37	144	27	35	2	( 66)	15	119	—	—
Mar. ..	159	260	48	56	117	203	89	137	5	(394)	50	101	1	(245)
Apr. ..	149	203	62	42	89	161	76	154	3	(226)	33	58	—	—
May ..	93	348	39	251	56	97	37	10	4	(184)	29	91	—	—
1956: May ..	71	27	31	14	42	13	33	11	2	(293)	13	8	—	(13)

20. Indices for Industrial Activities

(1934-36=100)

(Economic Planning Board)

Year & Month	Industrial Activities				Manufacturing									
	All	Public Works	Mining-Manu-facturing	Mining	All	Food-stuff	Textiles	Printing & Binding	Chemicals	Rubber & Leather	Wood & Wood Products	Ceramics	Metals	Ma-chinery
1956 Average .....	(153) 223.7	(2) 294.8	(151) 220.5	(10) 129.7	(141) 232.8	(12) 235.9	(12) 100.0	(1) 134.8	(37) 368.2	(10) 216.2	(2) 210.3	(7) 214.4	(18) 265.9	(42) 395.8
1957: January.....	227.8	318.4	219.1	132.8	231.0	220.2	97.1	143.8	358.4	235.0	215.2	224.6	294.3	367.5
February.....	243.3	309.0	234.6	137.2	248.0	219.5	107.5	141.4	400.4	259.2	218.6	240.1	303.4	401.4
March.....	254.9	323.1	245.9	133.7	261.3	234.1	105.6	141.3	435.6	279.2	223.0	258.5	321.8	431.4
April.....	259.5	321.6	250.4	143.6	265.1	229.5	108.9	146.3	444.2	280.6	220.6	263.0	314.0	449.3
May.....	*268.1	339.7	*258.7	*147.9	*273.8	*235.0	110.0	*156.1	*458.9	*280.3	*220.3	*268.0	*331.6	*467.4
June.....	264.9	320.1	255.8	144.5	271.1	231.6	112.7	151.2	447.8	276.6	220.3	256.7	326.1	466.0
1956: June.....	224.2	285.6	216.2	131.1	277.8	234.5	101.0	135.0	380.7	207.4	201.3	205.3	269.2	335.9

Notes: \* except perishable vegetables. Figures in parentheses in Table 19 are not in 1,000. Figures in parentheses in Table 20 are the numbers of companies surveyed.

## 21. Production by Major Items

Items	In	1957 April	1957 May	1957 June	Items	In	1957 April	1957 May	1957 June
<b>Electricity. Coal. Cokes. Gas</b>									
Electricity .....	mil. KWH	5,620	6,205	5,821	Ordinary Transformers .....	1,000 Units	29.3	29.1	..
Coal .....	1,000 Tons	4,440	4,477	4,307	Mercury Rectifiers .....	1,000 KW	10.0	19.6	15.8
Cokes .....	Tons	781,470	797,026	764,131	Condensers (High Pressure) ..	"	118.3	114.3	..
Gas .....	1,000 CM	255,223	235,050	222,330	Electric Welders .....	Unit	2,593	2,949	..
<b>Minerals</b>					Circuit Breakers .....	"	45,802	58,550	61,907
Gold .....	KG.	539	645	679	Electric Fans .....	1,000 Units	115.7	120.8	130.6
Silver .....	Tons	14.2	16.8	18.5	Electric Bulbs .....	1,000 Pcs.	13,338	13,635	13,269
Copper .....	"	6,173	6,823	7,100	Special Electric Bulbs .....	"	9,191	8,519	8,390
Lead .....	"	2,649	2,821	2,800	Watt-hour Meters .....	1,000 Units	126.4	135.7	135.7
Zinc .....	1,000 tons	10.0	11.0	11.5	Electric Meters .....	Units	6,666	7,716	7,581
Sulphuric Iron .....	"	280.5	276.2	286.0	Storage Batteries .....	1,000 Units	90.3	88.5	..
Iron .....	"	78.7	85.7	90.8	X-Ray Equipments .....	Sets	522	388	487
Refined Sulphur .....	"	21.6	23.2	23.1	Telephones .....	1,000 Units	82.0	90.8	92.5
Crude Oil .....	1,000 Kl.	28.0	29.4	29.0	Telephone Switchboards .....	Sets	844	897	920
Natural Gas .....	1,000 CM.	18,934	19,312	19,739	Automatic Tel. Switchboards	1,000 Circuits	39.9	37.9	40.0
<b>Non-ferrous Metals &amp; Products</b>					Radios .....	1,000 Sets.	324.2	325.8	336.5
Electric Gold .....	KG.	531	829	976	Televisions .....	"	48.3	46.8	47.9
Electric Silver .....	Ton	16.9	21.3	22.2	Electric Tubes for Receiving	1,000 Pcs.	5,020	5,195	5,259
Electric Copper .....	"	8,038	12,228	12,637	Elect. Tubes for Transmis. ..	"	13.2	19.2	..
Electric Lead .....	"	3,098	4,939	4,371	Truck Chassis .....	Units	4,166	4,524	4,342
Zinc .....	"	8,660	12,894	12,586	Bus Chassis .....	"	720	568	675
Electric Tin .....	"	97.0	108.7	95.1	Small Four-wheeler Chassis	"	7,312	7,610	7,912
Mercury .....	"	43.0	48.2	48.1	Small Three-wheeler Chassis	"	10,692	10,288	10,310
Nickel .....	"	440.1	701.2	999.8	Two-wheelers .....	"	19,153	20,825	21,010
Aluminum .....	"	4,322	6,190	6,138	Bicycles .....	"	241,916	240,565	224,398
Rolled Aluminum .....	"	5,655	5,537	5,802	Industrial Locomotives .....	"	50	46	38
Rolled Copper .....	"	16,188	16,200	16,392	Binoculars .....	1,000 Pairs	27.2	31.5	28.4
Wires & Cables .....	"	14,957	13,754	12,800	Cameras .....	1,000 Pcs.	110.2	122.0	117.4
<b>Oil Products</b>					Watches .....	"	680.1	705.9	714.7
Gasoline .....	1,000 Kl.	334.6	331.0	280.6	Forged iron .....	Ton	129,630	132,402	131,368
Light Oil .....	"	75.6	87.8	74.3	<b>Textiles &amp; Yarns</b>				
Heavy Oil .....	"	644.8	673.2	602.1	Cotton Yarn .....	1,000 lb.	100,268	98,848	103,115
Lubricants .....	"	39.5	43.0	43.1	Silk Yarn .....	"	332	310	320
<b>Iron &amp; Steel Products</b>					Rayon Staple Yarn .....	"	24,353	25,885	25,524
Pig-iron .....	1,000 Tons	558.5	601.4	582.3	Rayon Filament Yarn .....	"	52,344	54,171	56,034
Steel .....	"	1,101.4	1,155.1	1,122.9	Synthetic Chemical Textiles ..	"	6,312	6,234	6,640
Open Hearth Steel .....	"	874.3	905.6	858.7	Woolen Yarn .....	"	23,272	24,412	24,323
Converter Steel .....	"	35.5	42.0	41.0	Best Fibre Yarn .....	"	9,271	9,386	9,130
Electric Furnace Steel .....	"	191.7	207.4	223.2	Staple Fibres .....	"	59,237	59,330	59,171
Ferro-alloys .....	"	31,539	42,757	39,023	Cotton Textiles .....	Mil. sq. y.	330.1	333.4	333.6
Rolled iron materials .....	"	778.5	788.1	765.1	Silk Textiles .....	1,000 sq. y.	18,630	18,909	18,835
Iron Shapes (Medium size) ..	Ton	56,587	50,385	55,516	Spun Silk Textiles .....	"	1,608	1,482	1,569
Iron Bars .....	"	1,999	2,063	1,359	Rayon Textiles .....	"	78,606	77,023	77,170
Iron Tubes Materials .....	"	24,902	29,232	29,008	Rayon Staple Textiles .....	"	109,681	111,457	114,790
Iron wire .....	"	47,346	40,500	45,179	Woolen Textiles .....	"	18,698	17,899	19,634
Iron Sheets (Thick) .....	"	207,004	210,226	204,273	Best Fibre Textiles .....	"	12,373	11,836	11,383
Iron Sheets (Thin) .....	"	53,984	53,636	50,732	<b>Chemicals</b>				
Rolled Special Steel .....	1,000 Tons	56.9	63.1	63.0	Ammonium .....	1,000 Tons	79.3	89.1	83.8
Iron Tubes .....	Ton	54,555	56,695	58,403	Ammonium Sulphate .....	"	194.9	236.8	216.8
Gas-welded steeltubes .....	"	9,931	10,003	10,112	Superphosphate of Lime .....	"	198.2	193.6	143.2
Forged Steel .....	"	17,624	18,229	18,155	Carbide .....	"	82.3	117.6	93.2
Cast Steel .....	"	23,474	25,011	24,149	Calcium Cyanamide .....	"	37.7	56.4	42.2
Tin Plates .....	"	20,199	21,614	20,387	Synthetic Chem. Fertilizers ..	"	135.0	139.8	102.1
Galvanized Sheets .....	1,000 Tons	49.4	49.9	48.8	Caustic Soda .....	"	59.8	64.5	63.1
<b>Machinery &amp; Machine Tools</b>					Soda Ash .....	"	33.8	32.6	33.0
Steam Boilers .....	Ton	5,717	2,561	3,880	Synthetic Hydrochloric Acid ..	Ton	23,110	25,678	24,710
Steam Turbines .....	KW.	1,200	241,000	..	Bleaching Powder .....	"	1,663	1,474	1,516
Water Turbines .....	"	7,833	12,378	..	Liquid Chlorine .....	"	9,608	10,099	9,788
Gasoline Engines .....	HP.	37,152	42,617	43,090	Crude Benzol .....	"	11,485	11,292	10,138
Oil Burners .....	"	48,828	49,297	48,200	Refined Benzol .....	"	5,455	5,577	5,315
Petroleum Engines .....	"	47,198	38,052	35,600	Pure Toluol .....	"	912	892	857
Machine Tools .....	1,000 Pcs.	18	63	..	Industrial Explosives .....	"	2,712	3,083	3,122
Drills .....	"	1,867	1,957	1,801	<b>Paper &amp; Pulp</b>				
Transmitters .....	1,000 Tons	1,017	1,041	1,114	Pulp .....	Long Ton	198,117	210,584	204,636
Cogs .....	"	776	772	768	Western Style Papers .....	1,000 lb.	320,865	339,923	337,578
Thrashing Machines .....	Units	15.2	16.5	15.9	<b>Ceramics</b>				
Hulling Machines .....	"	3.8	4.0	3.8	Firebricks .....	1,000 Tons	103.4	105.2	104.3
Rice-cleaning Machines .....	"	4,424	4,010	3,530	Chinawares .....	"	44.6	42.1	41.1
Air Compressors .....	Ton	664	901	860	Glass Products .....	"	48.3	50.9	48.7
Ventilators .....	"	843	1,147	..	Red Bricks .....	Mil. pcs.	22.6	24.6	26.0
Pumps .....	"	2,549	2,527	2,290	Sheet Glass .....	1,000 Boxes	689	675	684
Refrigerators .....	"	1,040	1,101	870	Cement .....	1,000 Tons	1,392	1,046	1,322
Conveyers .....	"	2,714	2,798	2,290	<b>Miscellaneous</b>				
Cranes .....	"	2,722	3,280	3,340	Automobile Tires .....	1,000 pcs.	405.8	419.2	420.1
Winches .....	"	582	630	690	Metal Toys .....	"	24,184	26,509	26,290
Elevators .....	"	714	728	480	Pencils .....	1,000 Gross	602	578	555
R. Staple Weaving Machines	Units	1,691	1,719	1,364	Needles .....	Mil. pcs.	258	202	212
Cotton Weaving Machines ..	"	3,590	2,834	3,586	Match .....	Match tons	39.7	41.6	38.0
Wool Weaving Machines .....	Tons	204	190	287	Piano .....	Sets	1,746	1,974	1,898
Sewing Machines .....	1,000 Unit	183.9	167.7	174.0	Leathers .....	Ton	7,047	7,151	6,810
Lathes .....	Units	615	475	540					
Drilling Machines .....	1,000 Tons	328	676	570					
Millwork Power Generators ..	KVA	46.5	295.8	..					

Source: Ministry of International Trade &amp; Industry.

Note: \* Revised at source. ^ Provisional figures.



## 22. Machinery Orders (In ₹ million)

(Economic Planning Board)

Items	1955	1956	1956		1957			1956
	Average	Average	Jan.	Feb.	Mar.	Apr.	May	May
<b>By Products</b>								
Prime Movers .....	3,183	7,725	11,562	10,396	24,815	9,171	14,565	5,009
Heavy Electric Machinery .....	4,621	9,696	12,914	17,126	20,387	16,742	14,983	10,012
Communication Apparatus .....	1,448	2,291	1,676	1,991	3,514	4,540	2,554	1,098
Industrial Machinery .....	5,890	12,531	13,489	20,824	16,997	17,471	11,207	11,981
Machine Tools .....	159	567	657	773	1,150	1,200	886	419
Rolling Stocks .....	1,738	2,380	3,124	5,564	3,647	2,309	5,377	1,676
Ships .....	13,832	23,626	23,638	6,539	24,028	3,975	23,837	38,006
<b>Total of the Above .....</b>	<b>30,871</b>	<b>58,810</b>	<b>67,060</b>	<b>63,213</b>	<b>94,541</b>	<b>55,408</b>	<b>78,409</b>	<b>68,201</b>
Iron & Steel Frames .....	1,187	1,514	1,444	4,308	2,363	2,562	2,224	1,040
Bearings .....	986	1,611	1,896	2,254	1,917	2,084	1,913	1,611
Electric Wires & Cables .....	4,013	4,390	8,870	8,283	8,141	8,333	7,169	6,301
<b>By Customers</b>								
Foreign Sources .....	21,098	17,041	23,347	2,635	11,814	—	—	21,204
Government .....	3,193	4,620	2,457	6,873	6,511	8,135	6,333	1,739
Private .....	14,279	35,266	39,310	51,138	73,871	41,721	53,754	43,338
Manufacturing .....	6,711	17,112	18,330	30,484	27,957	27,621	22,054	16,452
Textiles .....	1,244	2,809	2,787	3,217	3,219	3,272	2,128	3,884
Chemicals .....	1,765	4,831	3,288	6,223	8,053	5,320	5,284	2,552
Iron & Steel .....	834	3,067	5,831	11,690	7,340	7,591	6,787	4,647
Machinery, Shipbuilding .....	1,927	4,713	4,302	5,690	6,961	9,235	8,216	4,241
Others .....	941	1,691	2,124	3,741	2,384	2,203	2,276	4,130
Non-Manufacturing .....	7,569	18,154	20,980	24,053	45,909	14,103	31,699	26,887
Transportation .....	3,107	8,695	5,197	7,341	14,014	1,903	10,258	19,999
Electric Power .....	2,545	6,247	12,590	10,005	25,011	6,657	14,460	4,506
Coal Mining .....	249	785	304	633	1,210	817	909	323
Agriculture, Forestry, Fishery .....	593	851	810	3,488	2,142	1,136	2,080	647
Others .....	1,075	1,909	2,079	2,586	1,349	1,826	31,699	1,412
Sales Agents .....	1,804	1,881	1,945	2,585	2,975	3,091	2,893	1,919
<b>Total Orders .....</b>	<b>30,871</b>	<b>58,810</b>	<b>67,060</b>	<b>63,213</b>	<b>94,541</b>	<b>55,408</b>	<b>78,409</b>	<b>68,201</b>
<b>Orders Outstanding .....</b>	<b>286,699</b>	<b>617,917</b>	<b>650,888</b>	<b>679,054</b>	<b>723,428</b>	<b>745,146</b>	<b>780,595</b>	<b>398,257</b>
<b>Sales Total .....</b>	<b>19,913</b>	<b>31,447</b>	<b>32,978</b>	<b>38,742</b>	<b>45,488</b>	<b>41,839</b>	<b>40,732</b>	<b>30,053</b>

## 23. Electric Energy Consumption (1,000 KWH)

Supplied by Power Companies (Over 500 kw)					Industries	Self-generated				
1957						1956		1957		
January*	February*	March*	April*	May*		November	December	January	February	March
240.1	267.2	233.7	238.6	249.8	Mining .....	51,724	50,985	47,968	47,728	45,658
29.1	28.9	30.2	34.5	39.4	Foodstuffs .....	2,197	3,216	2,366	2,324	905
176.4	184.1	185.9	188.3	201.9	Spinning .....	1,334	1,192	1,590	1,784	2,515
204.7	211.3	216.3	235.7	259.7	Paper & Pulp .....	71,162	79,619	73,096	69,591	79,610
587.8	562.7	575.6	851.7	1,105.9	Chemicals .....	218,178	219,116	213,216	205,092	209,675
12.7	13.4	13.9	14.0	16.5	Oil & Coal Products .....	2,352	2,995	3,179	2,993	3,779
20.4	21.7	22.5	22.6	23.5	Rubber Goods .....	—	—	—	—	—
66.8	63.3	66.9	77.2	85.6	Glass & Ceramics .....	102,856	107,059	91,772	114,387	122,412
498.5	503.9	490.5	700.3	820.7	Primary Metals.....	242,166	229,780	224,509	196,948	210,358
7.4	8.1	8.1	8.6	9.3	Metal Products.....	—	—	—	—	—
37.0	39.3	38.7	39.1	40.5	Machinery .....	604	404	277	416	370
50.5	53.6	48.0	62.8	72.8	Electric Machinery & Tools.....	—	—	—	—	—
75.5	81.0	80.9	80.4	85.3	Transportation Machinery & Tools .....	—	—	—	—	—
11.4	12.2	12.3	10.2	11.5	Other Manufacturing .....	—	—	—	—	—
1,778.2	1,783.5	1,789.8	2,325.4	2,772.5	Manufacturing Total .....	640,849	643,477	610,005	593,535	629,639
308.9	286.8	308.1	294.6	300.1	Public Utilities .....	168	207	213	198	220
106.5	65.4	107.7	100.7	107.1	Others .....	—	—	—	—	—
2,433.7	2,402.9	2,439.3	2,959.3	3,429.5	Total .....	692,759	694,669	658,186	641,461	675,517

## 24. Coal Supply &amp; Demand (1,000 metric tons)

Year & Month	Production	Stock Deliveries			Deliveries			Others	Home Consumption	Month-end Stocks		
		Coal Dealers	Large User Factories	Adjustment	Total	Deliveries	of which Exports			Total	Coal Dealers	Large User Factories
1956: Total .....	48,281	(*) 68	(*) 519	(*) 113	48,326	49,767	351	(*) 1,441	48,485	3,321	1,234	2,087
1957: January .....	4,068	(*) 276	(*) 546	(*) 5	4,349	4,472	13	(*) 123	4,882	4,107	1,341	2,766
February .....	4,187	(*) 54	(*) 188	(*) 3	4,244	4,439	28	(*) 195	4,404	3,865	1,287	2,578
March .....	4,072	(*) 53	(*) 491	(*) 23	4,148	4,418	5	(*) 270	4,634	3,321	1,234	2,087
April .....	4,440	(*) 184	(*) 254	(*) 6	4,262	4,414	9	(*) 152	3,999	3,759	1,418	2,341
May .....	4,477	(*) 141	(*) 719	(*) 9	4,345	4,530	15	(*) 185	3,611	4,312	1,559	3,060
1956: May .....	3,929	(*) 238	(*) 289	(*) 11	3,702	3,815	34	(*) 113	3,379	4,728	1,755	2,963

## 25. Supply &amp; Demand of Pig-iron and Steel Materials (In tons)

(MITI)

Year & Month	Pig iron			Steel Materials					
	Production	Deliveries	In Stock	Steel			Special Steel		
1956: Total .....	5,987,104	1,255,685	87,196	8,185,676	6,275,251	297,624	494,765	373,749	23,433
1957: January .....	573,612	120,058	95,669	764,053	568,791	322,939	51,559	39,116	23,204
February .....	522,216	98,244	98,562	789,699	615,725	314,174	55,472	40,598	23,400
March .....	588,727	112,898	110,900	840,498	634,862	322,049	58,693	42,745	21,272
April .....	558,523	107,887	115,015	820,074	618,436	327,169	56,890	42,692	21,900
May .....	601,399	119,191	117,362	828,581	635,793	326,588	63,113	45,642	24,864
1956: May .....	514,527	111,015	152,676	675,410	523,418	274,991	37,474	29,626	22,072

Notes: 55 machinery companies together with 18 iron frame, bearing & electric wire companies are surveyed for Table 22. \* in Table 23 indicate that the unit is in million KWH. Table 24 does not include import coal. Others in "Demand" column is the balance of sales volume by un-authorized sales agents plus dust coal output. "At Collieries" column includes the coal stocks on the seaboard mines.

26. Supply & Demand of Textile Products

(MITL Central Raw Silk Association)

Year & Month	Cotton Yarn (1,000 lb.)				Rayon Yarn (1,000 lb.)				Raw Silk (123 lb. bale)			
	Carry-overs	Receipts	Deliveries	Month-end Stocks	Carry-overs	Receipts	Deliveries	Month-end Stocks	Production	Exports	Home Deliveries	Term-end Stock
1956: Nov. ....	7,929	86,925	87,138	7,716	3,643	30,890	29,821	4,712	28,387	7,078	22,424	18,056
Dec. ....	7,716	86,438	84,260	9,894	4,712	27,559	28,064	4,207	28,409	7,508	22,249	16,708
1957: Jan. ....	9,894	103,497	101,048	9,343	4,207	29,856	28,814	5,249	18,891	5,011	16,496	14,092
Feb. ....	9,342	90,997	91,702	8,638	5,249	29,870	29,467	5,652	23,649	4,654	19,341	13,746
Mar. ....	8,638	93,290	93,669	8,259	5,652	32,771	31,680	6,743	25,195	5,064	20,819	13,058
Apr. ....	8,259	90,895	88,880	10,294	6,743	30,644	30,741	6,646	23,265	4,936	19,547	11,840
May ....	10,294	86,544	89,761	7,077	6,646	32,256	32,510	6,392	21,545	4,652	18,261	10,472
1956: May ....	4,777	88,295	85,459	7,613	2,537	26,370	26,336	2,571	20,306	4,256	17,891	14,808

Year & Month	Cotton Textiles (1,000 sq. yds)				Rayon Yarn (1,000 sq. yds)				Silk Textiles (1,000 sq. yds)	
	Carryovers	Receipts	Deliveries	Month-end Stocks	Carryovers	Receipts	Deliveries	Month-end Stocks	Production	Exports
1956: Nov. ....	203,408	483,669	484,150	202,927	69,990	146,251	145,434	70,807	17,885	4,831
Dec. ....	202,927	466,425	471,360	197,992	70,807	135,319	134,097	72,029	18,503	7,063
1957: Jan. ....	197,992	479,322	482,853	194,461	72,029	147,581	142,821	76,789	16,994	3,770
Feb. ....	194,461	485,040	473,376	206,125	76,789	152,289	155,168	73,910	17,333	4,238
Mar. ....	206,125	509,798	501,266	214,657	73,910	158,221	157,090	75,041	17,474	5,094
Apr. ....	214,657	529,984	508,840	235,801	75,041	138,227	137,511	75,757	18,630	2,094
May ....	235,801	558,882	551,589	243,094	75,757	140,830	140,801	75,786	18,909	—
1956: May ....	190,615	582,608	564,067	209,156	62,677	145,038	140,929	66,786	15,227	3,173

27. Supply & Demand of Paper and Pulp

Year & Month	Pulp (long ton)				Paper, Western Style (in 1,000 pounds)				Cardboard & Japanese Style Paper (in 1,000 pounds)			
	Production	For Paper	Deliveries	In Stock	Production	Deliveries	Self-Consumption	In Stock	Production	Deliveries	Self-Consumption	In Stock
1956: Nov. ....	193,403	102,357	91,393	24,423	302,640	299,203	9,234	128,472	508,858	492,274	23,470	157,013
Dec. ....	196,853	102,988	92,616	25,672	303,650	302,347	10,111	119,664	514,396	501,439	23,307	146,662
1957: Jan. ....	187,748	100,202	84,868	28,350	293,609	295,808	7,963	109,505	496,411	485,474	20,306	137,293
Feb. ....	188,790	99,942	88,182	29,016	296,400	298,238	8,640	99,033	507,112	494,975	22,411	127,019
Mar. ....	203,373	109,294	94,685	28,410	324,618	313,074	10,498	100,079	550,072	523,030	23,811	130,250
Apr. ....	198,117	106,796	87,269	32,462	320,865	304,363	9,262	107,318	551,556	520,067	23,791	137,947
May ....	210,584	115,140	94,303	33,603	339,924	321,932	10,429	114,882	581,037	547,217	24,579	147,189
1956: May ....	178,974	97,627	81,716	33,681	285,339	276,940	9,859	165,575	472,401	453,190	21,183	214,086

28. Supply & Demand of Soda and Ammonium Sulphate

(In metric tons)

Year & Month	Ammonium Sulphate			Soda Ash			Caustic Soda		
	Production	Deliveries	In Stock	Production	Deliveries	In Stock	Production	Deliveries	In Stock
1956: November .....	196,687	133,408	227,912	34,327	32,584	6,665	58,993	50,473	11,614
December .....	198,843	159,845	261,451	35,352	34,930	5,443	59,262	51,321	11,022
1957: January .....	181,721	209,503	230,611	35,702	31,278	8,184	59,315	51,547	11,251
February .....	172,075	194,209	201,370	33,070	31,923	7,675	56,835	51,203	9,253
March .....	172,930	235,321	128,500	34,386	32,656	7,566	60,950	54,346	7,565
April .....	194,880	246,429	69,119	33,752	29,390	10,069	59,769	49,536	9,809
May .....	236,761	235,922	59,760	32,624	29,390	10,069	64,457	52,764	12,398
1956: May .....	212,005	201,620	95,458	31,708	30,265	5,433	53,398	44,412	8,511

29. Supply & Demand of Cement

(In tons)

Year & Month	Production	Consumption	Deliveries			Month-end Stocks
			Export	Home sales	Total	
1956: Dec. ....	1,175.4	6.7	154.4	980.5	1,135.0	304.9
1957: Jan. ....	1,019.4	5.3	159.1	890.2	1,049.3	269.8
Feb. ....	1,158.5	6.0	160.2	970.5	1,130.7	291.8
Mar. ....	1,293.8	8.8	190.3	1,135.3	1,325.6	251.8
Apr. ....	1,391.9	7.9	169.1	1,148.4	1,317.5	318.4
May ....	1,405.5	7.6	173.8	1,186.7	1,360.5	355.7
June ....	1,321.6	8.2	..	..	1,253.1	415.9
1956: June ....	1,069.8	5.7	172.1	862.8	1,035.0	420.1

30. Supply & Demand of Rubber

(Crude Rubber tons)

Year & Month	Production (A)	Deliveries (B)	Month-end Stocks	Delivery Rates (B)/(A)	Stock Rates (C÷A)
1956: Dec. ....	9,500	9,659	3,457	102	36
1957: Jan. ....	8,801	8,834	3,481	100	40
Feb. ....	9,723	9,668	3,577	99	37
Mar. ....	10,562	10,403	3,811	98	36
Apr. ....	10,733	10,456	4,118	97	38
May ....	11,146	10,850	4,472	97	40
June ....	11,070	10,430	5,072	94	46
1956: June ....	8,655	8,368	3,996	97	46

31. Department Store Sales

(In million yen)

(MITI)

By Month	No. of Stores	Total	Clothing	Sundry Goods	House- hold Utensils	Provi- sions	Dining Room	Services	Outside Store Sales	Others	Gift Certifi- cates
1956: December ....	168	52,571	27,156	8,734	5,213	9,873	792	249	29	525	1,530
January .....	171	17,226	7,752	3,650	1,866	3,006	593	146	18	194	210
1957: February .....	173	17,596	7,983	3,784	1,991	2,927	555	147	16	187	237
March .....	174	25,978	12,602	5,580	2,674	3,782	818	223	22	276	411
April .....	174	23,904	11,158	5,290	2,815	3,369	777	227	21	247	301
May .....	175	21,185	9,645	4,422	2,744	3,188	696	193	20	278	211
1956: May .....	161	17,624	7,997	3,724	2,044	2,795	573	162	16	312	158



**32. JPA Procurement Contracts** (In \$1,000)

Year & Month	Monthly			Cumulative total as from June 26, 1950		
	Total	Merchandise	Services	Total	Merchandise	Services
1956 Average.....	13,874	5,772	8,102			
1956: November .....	14,651	5,661	4,391	1,863,203	1,064,277	798,926
December .....	7,981	5,578	4,403	1,871,091	1,067,802	803,289
1957: January .....	16,776	8,610	8,166	1,887,867	1,076,412	811,455
February .....	8,138	5,006	3,132	1,895,979	1,081,392	814,587
March .....	10,977	5,077	5,900	1,907,047	1,086,455	820,592
April .....	15,165	9,353	5,812	1,922,212	1,095,868	826,404
May .....	12,908	7,334	5,574	1,935,091	1,103,117	831,974
June .....	40,997	20,319	20,678	1,976,200	1,123,457	852,743
1956: June.....	19,810	10,335	9,475	1,780,628	1,040,085	740,543

**33. JPA Procurement Payments** (In \$1,000)

Year & Month	Monthly			Cumulative total as from June 26, 1950		
	Total	U.S.'s Burden	Japan's Burden	Total	U.S.'s Burden	Japan's Burden
1956 Average.....	28,732	21,380	7,352			
1956: October .....	33,894	23,894	10,000	2,571,579	1,983,295	588,284
November .....	28,311	23,311	5,000	2,599,890	2,006,606	593,284
December .....	28,113	23,113	5,000	2,628,003	2,029,719	598,284
1957: January .....	24,526	17,859	6,667	2,652,529	2,047,578	604,951
February .....	24,734	14,734	10,000	2,677,263	2,062,312	614,951
March .....	23,596	18,596	5,000	2,700,859	2,080,908	619,951
April .....	24,770	18,937	5,833	2,725,629	2,099,845	625,784
May .....	21,569	16,569	5,000	2,747,198	2,116,414	630,784
1956: May .....	27,149	18,266	8,883	2,411,305	1,863,858	547,447

**34. Exports and Imports by Value**

Year & Month	Value (In \$1,000)			Value (In million yen)		
	Exports	Imports	Balance	Exports	Imports	Balance
1956 Total .....	2,500,636	3,229,734	(-) 729,098	900,229	1,162,704	(-) 262,475
1956: December .....	271,772	318,539	(-) 46,767	97,838	114,674	(-) 16,836
1957: January .....	109,005	327,975	(-) 158,970	60,842	118,071	(-) 57,229
February .....	213,253	344,161	(-) 130,908	76,771	123,898	(-) 47,127
March .....	274,387	392,953	(-) 118,566	98,779	141,463	(-) 42,684
April .....	224,556	433,032	(-) 208,476	80,840	155,891	(-) 75,051
May .....	236,832	452,709	(-) 215,878	85,259	162,975	(-) 77,716
June .....	209,806	392,870	(-) 183,064	75,530	141,433	(-) 65,903
July .....	256,100	389,314	(-) 133,214	90,396	140,153	(-) 49,757
1956: July .....	197,779	276,448	(-) 78,669	71,200	99,521	(-) 28,321

**35. Exports and Imports by Settlement Area**

(In 1,000 dollars)

Year & Month	Exports				Imports			
	Total	Dollar	Sterling	Open Account	Total	Dollar	Sterling	Open Account
1956 Total.....	* 2,500,636	1,095,272	906,457	498,897	* 3,229,734	1,725,151	1,057,476	447,020
1956: October .....	233,811	106,427	84,402	42,982	* 304,773	117,896	91,028	35,845
November .....	216,061	100,699	80,962	34,400	* 281,990	161,378	86,960	33,649
December .....	271,772	120,845	108,755	42,172	* 318,539	183,949	99,305	35,273
1957: January .....	* 169,005	78,817	67,563	22,625	* 327,975	177,263	116,861	33,851
February .....	* 213,253	89,368	94,058	27,668	* 344,161	194,536	118,351	31,273
March .....	* 274,387	124,275	113,028	34,046	* 392,953	206,073	149,118	37,762
April .....	* 224,556	108,548	85,054	30,934	* 433,032	221,241	173,707	38,072
May .....	* 236,832	113,079	93,919	29,826	* 452,709	252,617	164,166	35,897
1956: May .....	194,945	84,242	75,032	35,671	* 271,746	144,253	89,397	38,093

**36. Foreign Exchange Receipts and Payments by Month**

(In 1,000 dollars)

Year & Month	Receipts			Payments			Balance
	Exports	Invisible	Total	Imports	Invisible	Total	
1956 Total.....	2,402,241	822,521	3,224,763	2,470,199	461,229	2,931,429	293,334
1956: November .....	197,863	71,958	269,821	234,695	34,593	269,289	532
December .....	205,820	80,370	286,190	231,868	42,213	274,081	12,108
1957: January .....	218,714	65,974	284,689	261,759	37,011	298,770	(-) 14,082
February .....	212,506	64,160	276,667	278,260	61,618	339,879	(-) 63,211
March .....	226,859	72,895	299,754	302,741	51,285	354,027	(-) 54,272
April .....	223,663	74,636	298,270	301,699	53,381	355,081	(-) 56,810
May .....	228,696	81,106	309,802	349,092	57,818	406,910	(-) 197,108
June .....	205,312	80,228	285,540	340,217	59,090	399,307	(-) 113,766
1956: June.....	223,223	71,937	295,161	205,603	47,622	253,225	41,935

Notes: The yen-base contracts in Table 32 are those contracts which the Japanese Government pays for according to the article 25 of the Japan-America Administrative Agreement out of "defense expenses." \* includes optional cargoes in exports and imports from such special sources as pelagic fisheries, Japanese territorial waters, foreign territorial waters, and high seas in Imports.

## 37. Exports and Imports by Country

(In million yen)

Settle- ment Area	Countries	Exports					Imports				
		1956 Total	Feb. 1957	Mar. 1957	April 1957	May 1957	1956 Total	Feb. 1957	Mar. 1957	April 1957	May 1957
	Total Exports or Imports ..	900,229	76,771	98,779	80,840	85,259	1,162,704	123,898	141,463	155,891	162,975
	Asia Total .....	367,989	35,191	38,917	32,180	34,399	377,253	35,962	42,798	46,333	45,501
0	Korea .....	22,898	1,517	2,230	2,769	2,742	4,001	307	370	406	343
£A	China .....	24,242	1,672	1,546	1,752	2,113	30,103	1,813	2,566	2,720	3,337
£	Ryukyu Islands .....	24,241	1,385	1,714	1,728	1,787	7,991	709	634	626	895
£	Hong Kong .....	48,406	4,340	4,650	4,006	2,874	6,725	935	872	780	1,087
0	Formosa .....	28,029	2,165	2,492	2,109	1,630	16,383	2,011	2,677	2,643	2,586
	Southeast Asia Total .....	235,173	20,109	26,398	20,821	21,955	217,261	21,547	21,766	23,953	23,027
£	South Viet Nam .....	19,238	1,707	2,320	2,186	2,203	568	84	8	232	406
£A	Thailand .....	21,922	2,745	3,462	2,326	2,440	12,641	856	662	1,892	1,974
£	Malayan Union .....	5,652	528	554	433	429	38,986	3,042	3,823	4,305	5,564
0	Singapore .....	22,396	2,150	2,585	1,826	1,753	10,933	1,688	1,458	1,774	1,696
£	Philippines .....	19,981	1,844	2,220	2,002	3,127	42,033	3,508	3,249	3,955	3,898
0	British Borneo .....	366	18	40	15	38	10,997	1,272	1,354	1,213	1,333
0	Indonesia .....	27,822	2,423	2,229	1,297	862	32,035	2,895	2,388	2,504	2,836
£	Burma .....	13,057	1,857	2,594	2,587	2,717	15,254	1,198	1,752	2,761	869
£	India .....	37,907	5,175	4,209	3,072	4,640	37,229	3,827	4,547	3,527	3,161
£	Pakistan .....	6,363	308	421	422	345	18,224	2,585	2,568	1,844	1,178
£	Ceylon .....	8,733	1,163	855	446	418	1,172	150	269	296	202
	Iran .....	6,877	786	1,145	1,024	1,058	6,142	801	1,043	735	732
£	Iraq .....	7,218	1,183	945	494	770	4,502	565	694	717	1,114
£	Aden .....	2,888	296	498	449	503	1,216	201	214	193	315
£	Saudi Arabia .....	2,932	262	241	313	193	49,784	3,811	6,017	6,750	7,002
£	Kuwait .....	2,876	494	551	241	375	14,609	1,587	2,857	3,587	2,141
0	Turkey .....	2,290	12	15	15	51	378	19	3	163	3
£	Jordan .....	824	138	59	16	148	81	—	—	—	—
£	Syria .....	1,893	306	118	31	292	1,054	1	—	80	136
£	Lebanon .....	857	74	152	98	234	404	—	—	0	42
	Europe Total .....	90,135	8,049	12,444	8,651	9,092	83,334	11,512	13,320	14,825	17,134
£A	Sweden .....	5,880	696	1,332	605	677	2,508	226	659	653	502
£A	Denmark .....	3,637	172	1,486	238	1,542	1,013	97	231	149	142
£	United Kingdom .....	22,749	1,021	2,852	2,692	1,766	23,969	3,400	3,387	3,875	4,280
0	Netherlands .....	9,646	962	711	758	822	4,361	477	757	607	683
	Belgium & Luxemburg .....										
£	Economic Union .....	5,141	350	419	382	523	4,180	1,389	1,572	1,708	1,280
£A	France .....	5,056	446	980	504	545	7,774	757	1,147	1,280	1,075
£A	West Germany .....	13,106	1,441	3,334	1,482	1,456	20,221	3,753	4,455	5,119	6,745
£A	East Germany .....	1,568	—	—	0	70	2,858	4	12	11	445
£	Switzerland .....	3,566	320	334	340	299	5,043	512	526	712	919
£	Spain .....	4,974	483	85	214	253	5,456	13	20	59	233
£A	Italy .....	6,005	388	365	167	396	3,513	201	244	246	296
£A	Norway .....	527	1,280	47	40	51	147	112	83	77	145
0	Finland .....	595	93	52	42	47	557	34	17	11	66
£A	Austria .....	1,653	160	148	95	147	347	37	45	68	193
	North America Total .....	234,301	17,638	23,064	20,673	19,360	516,063	60,283	61,179	65,226	75,712
£	Canada .....	24,885	2,030	1,969	1,827	1,818	51,885	3,796	3,801	4,003	5,272
£	U.S.A. .....	195,590	14,404	17,207	16,265	16,209	383,254	52,050	53,647	56,893	64,649
£	Mexico .....	2,548	187	134	268	186	46,119	2,626	2,582	1,405	1,995
	Cuba .....	1,366	96	94	139	188	22,138	1,483	628	957	567
£	Panama .....	1,594	88	1,996	1,396	138	92	10	254	1,272	7
£	Colombia .....	2,662	131	154	100	66	608	89	52	19	46
£	Ecuador .....	438	61	55	31	28	99	4	5	16	4
	South America Total .....	48,273	2,077	3,449	2,263	2,236	45,960	2,820	5,515	3,712	4,330
0	Peru .....	3,010	413	398	322	287	9,243	556	1,462	1,015	1,545
£A	Brazil .....	16,256	494	1,603	588	733	18,075	852	2,228	1,405	1,649
£	Argentina .....	14,016	136	210	185	163	12,963	684	902	396	162
£	Chile .....	2,682	166	138	303	163	1,698	314	605	591	286
	Africa Total .....	141,300	11,767	18,406	15,515	18,556	36,520	2,798	3,575	4,240	3,216
0	Egypt .....	3,741	357	526	561	546	15,505	1,155	1,686	1,830	703
£	Nigeria & Ghana .....	26,621	1,495	1,604	1,745	1,715	224	31	27	37	33
£	Liberia .....	81,293	6,634	12,594	9,532	12,347	484	0	7	325	6
£	Belgian Congo .....	1,361	115	170	151	125	58	6	19	48	42
£	British East Africa .....	6,017	660	732	750	850	5,630	351	482	507	579
£	Union of South Africa ..	12,465	1,369	1,474	1,344	1,478	9,492	965	868	1,038	1,279
	Australia & Oceania Total ..	18,227	1,272	1,405	1,551	1,613	103,542	10,522	15,076	21,552	17,071
£	Australia .....	11,114	572	766	964	1,103	89,436	8,851	13,067	18,958	14,214
£	New Zealand .....	2,138	175	112	163	180	3,387	326	498	754	1,387
£	Hawaii .....	2,499	221	164	172	245	381	240	56	274	292
0	New Caledonia .....	387	47	19	59	5	6,137	555	1,128	887	908
0	French Oceania .....	45	1	3	2	2	1,523	227	213	279	91
£	Guam .....	525	5	57	51	2	584	77	79	285	21

Source: Finance Ministry.

Note: 0 denotes open account area; \$, dollar area; £, sterling area. £A stands for Specified Area A and B.



## 38. Exports by Major Articles

(In thousand yen)

Articles	Unit	1956		1957					
		Total		March		April		May	
		Volume	*Value	Volume	Value	Volume	Value	Volume	Value
Food .....	—	—	63,797	—	5,880,169	—	5,344,805	—	4,049,061
Fish & Shellfish .....	m.t.	196,489	43,427	21,573	4,696,708	14,464	3,919,584	9,788	2,236,790
Canned, Bottled Fish .....	"	108,359	32,181	8,614	3,193,847	8,205	2,996,999	6,008	1,659,712
Cereals .....	—	—	970	—	35,935	—	48,598	—	47,744
Fruit & Vegetables .....	m.t.	127,118	9,963	5,194	404,950	7,048	822,208	9,328	1,177,028
Sugar & Sugar Preparations .....	—	—	798	—	25,130	—	24,048	—	17,799
Tea .....	1,000 lbs.	22,579	2,035	1,642	138,567	988	79,583	910	80,668
Beverage & Tobacco .....	—	—	959	—	222,501	—	232,755	—	75,629
Beverages .....	—	—	664	—	41,825	—	50,041	—	57,801
Tobacco .....	—	—	295	—	180,676	—	182,714	—	17,828
Raw Materials .....	—	—	34,197	—	2,744,833	—	2,463,531	—	2,536,201
Lumber .....	cu.m.	546,344	10,257	29,730	583,899	29,742	606,296	35,057	765,889
Textile, Fibre .....	1,000 lbs.	68,821	19,876	8,557	1,649,293	5,427	1,450,980	6,444	1,458,669
Raw Silk .....	"	9,957	15,046	653	1,036,529	672	1,066,207	632	980,432
Fertilizers & Mineral Products .....	—	—	192	—	14,102	—	24,006	—	22,665
Animal & Vegetable Materials .....	—	—	3,000	—	374,404	—	264,698	—	217,417
Coal & Petroleum .....	—	—	4,060	—	121,804	—	149,013	—	235,828
Animal & Vegetable Oils .....	—	—	8,913	—	4,366,151	—	419,308	—	595,720
Animal Oil .....	m.t.	—	7,813	44,300	3,987,309	302	174,415	3,164	442,531
Cod-liver Oil .....	"	3,962	1,862	—	265,745	228	170,048	194	203,063
Vegetable Oil .....	"	8,191	1,070	3,034	370,536	1,935	243,212	1,261	149,927
Chemicals, Drugs .....	—	—	38,403	—	3,922,907	—	4,101,557	—	4,799,156
Pharmaceuticals .....	—	—	3,765	—	466,157	—	320,291	—	477,353
Chemical Fertilizers .....	m.t.	919,490	17,923	96,731	2,037,498	132,102	2,535,544	137,025	2,911,017
Manufactured Products by Materials .....	—	—	461,491	—	44,668,330	—	38,185,791	—	40,841,781
Rubber Goods .....	—	—	8,290	—	1,025,606	—	794,127	—	933,778
Tyres & Inner Tubes .....	m.t.	17,230	6,793	2,170	880,311	1,578	633,015	1,937	783,136
Wood & Cork Products .....	—	—	19,688	—	1,958,452	—	2,142,841	—	2,021,935
Paper & Related Products .....	m.t.	113,853	10,389	13,153	1,287,702	9,729	1,002,790	9,263	954,582
Textile Yarns & Fabrics .....	—	—	249,585	—	25,739,552	—	21,200,488	—	22,775,117
Woollen Yarn .....	1,000 lbs.	7,276	4,918	1,144	825,409	627	455,800	522	388,207
Cotton Yarn .....	"	27,294	9,448	4,077	1,278,374	4,106	1,210,448	2,789	756,217
Rayon Yarn .....	"	18,591	3,253	2,233	400,548	1,357	255,711	2,906	533,901
Spun Rayon Yarn .....	"	35,536	5,779	3,050	485,560	2,328	399,012	1,792	303,173
Cotton Fabrics .....	1,000 sq. yds.	1,262,049	95,989	123,793	9,546,508	105,707	8,168,788	121,799	9,307,277
Silk Fabrics .....	"	47,884	9,074	4,974	864,205	3,853	706,921	4,451	784,210
Woollen Fabrics .....	"	22,328	12,017	2,870	1,601,598	2,348	1,325,175	2,136	1,207,417
Artificial Fibre Fabrics .....	"	1,165,827	79,867	112,240	7,372,834	95,234	6,278,499	104,709	6,812,235
Non-Metallic Mineral Products .....	—	—	41,241	—	3,896,454	—	3,546,739	—	3,706,934
Cement .....	m.t.	2,111,670	13,681	237,280	1,502,166	201,129	1,311,738	191,566	1,266,371
Glass Products .....	—	—	5,692	—	508,113	—	440,715	—	462,745
Chinaware .....	—	—	17,818	—	1,589,797	—	1,543,397	—	1,601,256
Precious Metals & Gems .....	—	—	9,724	—	939,679	—	844,704	—	945,981
Pearls .....	kg.	24,581	4,842	3,205	632,667	2,386	551,142	1,899	609,173
Base Metals .....	—	—	98,497	—	7,633,687	—	6,820,863	—	7,378,942
Iron & Steel .....	m.t.	1,290,540	80,420	78,286	6,033,727	72,588	5,756,971	77,076	6,092,366
Steel Bars & Shapes .....	"	239,337	8,903	11,223	502,636	3,510	181,100	5,641	234,744
Steel Plates (ungalvanized) .....	"	224,552	14,885	16,595	1,232,176	16,526	1,251,771	15,926	1,195,162
Copper .....	"	8,366	3,574	1,878	193,938	345	130,034	396	142,632
Nickel .....	"	3,413	4,485	319	522,646	244	334,182	230	397,142
Aluminium .....	"	10,221	2,687	275	86,694	288	88,839	337	111,198
Metal Products .....	—	—	23,872	—	2,157,799	—	1,802,649	—	2,094,629
Machinery & Transportation Equipment .....	—	—	174,095	—	25,928,981	—	19,765,759	—	21,236,366
Machinery (excl. electric machines) .....	—	—	41,945	—	4,000,121	—	4,006,332	—	3,518,198
Metal Processing Machines .....	—	—	981	—	132,226	—	71,118	—	99,475
Textile Machines & Parts .....	—	—	13,203	—	1,126,475	—	1,294,255	—	766,117
Sewing Machines & Parts .....	—	—	14,231	—	1,355,115	—	1,371,539	—	1,438,280
Electric Machines .....	—	—	18,293	—	2,386,932	—	2,373,120	—	2,047,494
Gen. Motors, Trans. & Alternators .....	—	—	2,327	—	187,001	—	267,118	—	188,552
Electric Bulbs .....	1,000 pcs.	233,440	2,079	26,758	256,841	26,111	260,524	27,271	293,394
Transportation Equipment .....	—	—	113,857	—	19,541,928	—	13,386,307	—	15,670,674
Railway Rolling Stock .....	—	—	10,307	—	812,619	—	609,798	—	1,173,991
Buses, Trucks .....	unit	1,541	2,900	234	327,647	344	383,095	274	269,716
Bicycles & Parts .....	—	—	3,401	—	230,469	—	242,839	—	322,169
Ships .....	unit	786	93,590	57	17,869,278	77	11,858,608	96	18,602,873
Miscellaneous .....	—	—	111,221	—	10,724,222	—	9,954,765	—	10,719,280
Camera .....	unit	395,857	3,041	38,611	292,638	39,956	312,005	40,537	335,955
Toys .....	—	—	19,951	—	1,658,524	—	1,892,846	—	2,160,284
Livestock, Pets etc. ....	—	—	147	—	5,336	—	7,713	—	4,825
Re-export Goods .....	—	—	2,946	—	194,330	—	215,206	—	165,566
Total Exports .....	—	—	900,229	—	98,779,334	—	80,840,230	—	85,259,413

Note: Figures of group total include others than represented. Figures for value are rounded under one thousand.  
Source: Customs Division, Tax Bureau, Ministry of Finance.

\* In million yen.

## 39. Imports by Major Articles

(In thousand yen)

Articles	Unit	1956		1957					
		Total		March		April		May	
		Volume	*Value	Volume	Value	Volume	Value	Volume	Value
Food .....	—	—	197,571	—	13,328,645	—	155,891,392	—	21,516,460
Cereals (rice, wheat & barley, etc.)	m.t.	4,399,730	132,914	197,254	6,018,490	387,668	12,735,847	407,551	12,641,489
Fruit & Vegetables .....	"	96,575	5,685	20,872	1,038,351	312,796	700,835	17,412	874,638
Sugar & Sugar Preparations .....	"	1,363,730	48,220	111,152	4,174,983	90,757	3,657,202	140,344	6,106,435
Coffee .....	1000. lbs	11,125	2,412	1,273	281,771	971	207,555	1,250	273,947
Beverage & Tobacco .....	—	—	3,417	—	473,949	—	176,915	—	64,795
Tobacco .....	—	—	3,052	—	442,782	—	139,135	—	17,865
Raw Materials .....	—	—	615,744	—	74,426,714	—	77,995,630	—	77,271,303
Hides & Skins .....	m.t.	76,429	10,995	6,993	927,348	4,123	637,865	7,756	1,082,254
Cow Hide .....	"	56,770	6,748	5,666	585,051	2,758	347,468	6,226	703,662
Box Calf .....	"	9,284	2,872	826	254,676	558	166,267	975	260,136
Oil Seeds .....	"	1,039,351	48,162	109,480	5,148,517	94,457	4,460,058	113,467	5,187,602
Peanuts .....	"	8,848	780,551	605	58,924	1,129	117,924	556	56,836
Copra .....	"	40,717	3,047	1,752	125,363	4,444	309,495	5,557	375,526
Soy-beans .....	"	717,081	30,473	75,384	3,277,785	61,916	2,667,269	84,243	3,648,116
Rubber .....	"	139,054	31,883	16,359	3,611,340	14,849	3,290,696	17,808	3,837,791
Crude Rubber .....	"	106,881	26,457	12,668	3,045,293	11,541	2,651,786	13,255	3,058,682
Latex .....	"	10,077	2,017	1,065	223,812	1,341	264,343	1,032	202,957
Synthetic Rubber .....	"	10,764	3,100	993	306,322	1,263	343,816	1,769	496,844
Sumper & Cork .....	—	—	30,085	—	2,382,514	—	2,612,371	—	2,846,237
Lumber .....	c.m.	2,586,015	29,189	194,570	2,276,597	222,682	2,524,047	241,174	2,806,466
Cork .....	m.t.	9,180	830	800	99,637	951	78,206	386	32,570
Pulp & Scrap Paper .....	—	—	11,295	—	1,325,748	—	1,152,372	—	1,885,694
Fibres & Textiles .....	1,000 lbs.	2,061,544	277,859	225,489	32,996,497	208,523	34,410,497	195,475	30,250,575
Wool .....	"	324,204	93,119	40,710	14,343,943	46,314	17,060,260	40,091	14,974,042
Cotton .....	"	1,496,116	172,940	156,490	17,181,402	143,899	16,310,589	133,065	14,119,830
Cotton, Ginned .....	"	1,325,182	162,515	140,896	16,316,396	130,646	15,502,709	11,475	13,215,994
Cotton Linter .....	"	45,890	1,087	8,474	210,418	5,294	152,491	11,081	303,632
Waste, Cotton .....	"	125,043	9,338	7,620	654,572	7,959	655,389	7,231	600,099
Hard & Bast Fibres .....	"	218,895	9,061	26,445	1,197,668	15,267	714,481	20,211	858,743
Jute .....	"	77,286	2,536	10,678	407,839	3,103	123,090	7,410	293,216
Flax .....	"	9,769	573	—	—	—	—	—	—
Sisal Hemp .....	"	36,913	1,286	3,798	125,073	3,782	118,055	4,757	168,218
Manila Hemp .....	"	69,503	3,513	8,792	517,455	5,847	352,462	4,639	252,038
Fertilizers & Non-metallic Minerals ..	—	—	34,458	—	3,742,550	—	3,986,354	—	4,083,648
Fertilizers .....	m.t.	1,700,262	15,244	129,989	1,376,874	169,196	1,634,578	163,318	1,630,640
Salt .....	"	2,303,800	10,783	11,121	1,221,219	217,402	1,213,662	226,447	1,229,657
Asbestos .....	"	33,388	2,346	2,776	181,746	2,277	173,972	1,980	166,135
Magnesite .....	"	93,615	1,673	11,272	235,019	8,854	213,591	13,043	364,691
Metal Ores & Metal Scrap .....	"	12,196,121	164,379	1,227,036	23,757,650	1,402,758	26,921,094	1,222,429	27,480,469
Iron Ore .....	"	7,669,496	52,747	646,252	5,214,753	767,224	5,871,705	820,034	6,898,836
Scrap Iron .....	"	2,583,542	66,027	328,552	10,699,663	419,197	13,853,425	385,760	12,743,097
Non-ferrous Metals .....	"	1,679,421	27,820	239,704	4,444,672	204,099	4,044,488	219,287	4,141,344
Nickel .....	"	655,142	6,135	103,850	1,133,981	82,533	916,175	86,430	911,925
Aluminium .....	"	403,907	2,195	49,280	258,068	45,548	324,953	62,223	435,845
Manganese .....	"	206,574	3,307	22,190	442,215	25,786	529,736	15,430	263,950
Animal Materials .....	—	—	2,902	—	214,863	—	249,399	—	253,919
Vegetable Materials .....	—	—	3,724	—	319,686	—	298,123	—	390,824
Coal & Petroleum .....	—	—	148,553	—	21,144,975	—	22,518,399	—	24,548,886
Coal .....	m.t.	3,821,168	32,622	398,249	3,872,859	480,217	4,289,483	572,078	5,719,136
Anthracite .....	"	464,493	3,577	71,274	550,925	57,692	478,660	79,841	698,623
Bituminous (for coking) .....	"	2,963,036	26,314	284,946	20,202,602	276,698	2,909,243	397,059	4,104,148
Petroleum .....	k.l.	15,130,332	112,824	1,764,447	16,919,409	1,941,548	17,946,654	2,048,990	18,143,741
Crude & Unrefined .....	"	11,586,911	80,564	1,299,486	11,538,078	1,487,498	12,563,382	1,415,138	10,999,886
Gasoline .....	"	152,782	2,652	1,521	32,223	24,924	514,758	8,748	178,250
Gas Oil .....	"	106,761	1,113	13,528	159,519	6,134	76,244	19,698	235,176
Heavy Oil .....	"	3,164,794	25,181	434,999	4,770,178	415,840	4,557,295	584,939	6,086,304
Lubricants (excl. grease) .....	"	52,789	2,597	5,515	295,231	3,156	183,695	10,592	522,197
Petroleum Coke .....	m.t.	220,494	2,489	11,323	183,295	9,490	110,393	44,951	622,188
Animal & Vegetable Oils .....	—	—	12,115	—	1,117,245	—	1,687,026	—	1,284,146
Animal Fats & Oils .....	m.t.	105,957	8,046	8,372	664,180	16,961	1,276,052	11,678	924,410
Vegetable Oils .....	"	34,023	3,732	3,523	407,553	3,185	375,886	2,617	321,673
Chemicals, Drugs .....	—	—	58,789	—	6,252,045	—	6,517,945	—	8,596,276
Manufactured Products by Materials ..	—	—	56,040	—	15,203,119	—	17,947,584	—	18,223,943
Hides, Leathers & Furs .....	—	—	1,343	—	97,924	—	87,328	—	20,391
Rubber Goods .....	—	—	499	—	43,344	—	44,105	—	60,590
Paper & Related Products .....	m.t.	1,308	314	—	41,109	228	50,932	1,004	74,363
Textile Yarns & Fabrics .....	—	—	4,591	—	765,908	—	505,305	—	985,439
Base Metals .....	m.t.	597,073	42,481	184,044	13,376,061	243,061	16,507,155	255,670	16,087,292
Iron & Steel .....	"	532,497	21,904	165,275	8,817,208	224,202	11,684,735	237,494	12,182,460
Nonferrous Metals .....	"	64,576	20,577	18,769	4,558,853	18,859	4,822,420	18,176	3,904,832
Machinery & Transportation Equipment	—	—	58,021	—	8,194,131	—	9,171,148	—	9,979,572
Machinery (excl. electric machines) ..	—	—	38,799	—	6,192,503	—	5,607,576	—	7,687,702
Electric Machines .....	—	—	8,149	—	689,480	—	531,402	—	710,023
Transportation Equipment .....	—	—	11,073	—	1,312,148	—	3,032,170	—	1,581,847
Miscellaneous .....	—	—	11,517	—	1,167,281	—	1,194,775	—	1,373,084
Livestock, Pets etc. .....	—	—	814	—	14,664	—	14,807	—	6,648
Re-imports Goods .....	—	—	123	—	140,411	—	91,706	—	110,230
Total Imports .....	—	—	1,162,704	—	141,463,179	—	155,891,392	—	162,975,343

Note: Figures of group total include other items not represented above. Figures for value under one thousand are rounded.  
 Source: Customs Division, Tax Bureau, Ministry of Finance.

\* In million yen.

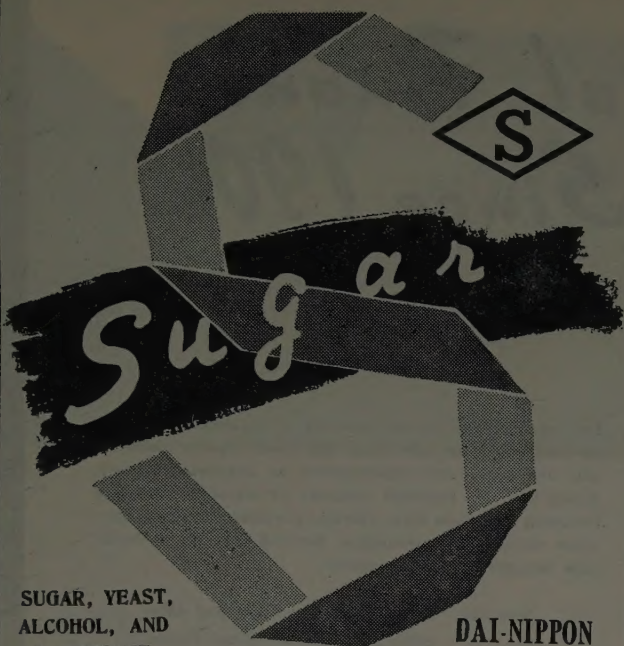


## 40. Spot Quotations on Tokyo Securities Exchange

Names of Shares	Au- thorized (Paid-up) Capital In mil- lion yen	Divi- dends	1957			Names of Shares	Au- thorized (Paid-up) Capital In mil- lion yen	Divi- dends	1957		
			July		Aug. 15				July		Aug. 15
			High	Low					High	Low	
Mining											
Mitsubishi Metal Mining.....	2,730	18	¥ 97	¥ 82	¥ 89	Nippon Oil .....	4,500	15	¥ 105	¥ 90	¥ 99
Nihon Mining.....	5,870	16	87	71	76	Showa Oil .....	2,550	20	139	118	130
Sumitomo Metal Mining .....	2,145	18	88	78	85	Maruzen Oil .....	2,625	20	174	148	171
Mitsui Metal Mining .....	2,400	18	103	88	98	Mitsubishi Oil .....	2,400	20	185	152	165
Mitsui Mining.....	3,000	10	90	70	86	Toa Nenryo Kogyo .....	4,738	25	159	133	149
Mitsubishi Mining.....	2,700	12	93	72	92	Mitsubishi Chemical Ind. ....	5,905	15	135	□ 93	108
Sumitomo Coal Mining .....	2,400	12	71	60	71	Rubber, Glass & Ceramics					
Furukawa Mining .....	2,100	12	105	90	102	Yokohama Rubber.....	2,000	12	133	118	135
Ube Industries .....	6,000	20	117	95	118	Asahi Glass.....	5,000	28	196	177	238
Teikoku Oil .....	2,000	12	158	125	145	Nippon Sheet Glass .....	2,500	20	270	□ 148	169
Dowa Mining .....	2,500	20	119	95	108	Nihon Cement.....	5,000	18	117	96	116
Foodstuffs											
Nippon Sui'an .....	3,500	15	85	80	97	Iwaki Cement.....	1,000	36	270	215	263
Nippon Flour Mills .....	884	17	106	100	102	Onoda Cement .....	8,000	18	96	78	□ 80
Nissin Flour Milling .....	1,000	16	126	120	123	Nippon Toki .....	520	23	183	159	210
Dainippon Sugar Mfg. ....	720	25	156	139	148	Nippon Gaishi.....	500	23	224	201	242
Taito.....	300	45	280	252	275	Metal Industries					
Meiji Sugar Mfg. ....	500	30	155	145	150	Yawata Iron & Steel.....	15,000	12	73	63	68
Toyo Sugar.....	366	30	180	146	156	Fuji Iron & Steel .....	13,000	12	69	57	66
Japan Beet Sugar Mfg. ....	675	20	126	115	131	Kawasaki Steel .....	9,378	5	66	□ 54	60
Morinaga Confectionery .....	750	20	152	135	155	Nippon Kokan.....	15,000	15	71	62	67
Meiji Confectionery .....	840	20	127	120	134	Sumitomo Metal Ind. ....	10,000	12	78	□ 56	61
Nippon Breweries .....	1,825	18	133	124	131	Kobe Steel .....	7,968	12	60	54	56
Asahi Breweries.....	1,825	18	153	143	153	Tokyo Rope .....	485	30	200	173	200
Kirin Brewery.....	1,845	20	183	176	192	Japan Light Metal.....	2,995	15	157	142	160
Takara Shuzo .....	3,927	20	86	78	78	Toyo Seikan .....	(A) 800	25	1,140	1,100	1,129
Japan Distilling .....	1,155	25	56	50	53	Machinery					
Honen Oil Mills .....	1,000	17	130	120	125	Ebara Mfg. ....	600	25	179	164	191
Nissin Oil Mills .....	750	20	109	102	105	Nippon Seiko .....	800	15	152	118	140
Noda Soy Sauce.....	800	25	211	204	215	Toyo Bearing .....	600	20	163	130	154
Ajinomoto .....	2,296	25	207	181	213	Koyo Seiko .....	700	15	97	72	88
Nippon Cold Storage .....	2,000	16	106	94	96	Electric Machinery					
Textiles											
Toyo Spinning .....	6,450	24	179	162	192	Hitachi Ltd. ....	15,000	15	98	86	99
Kanegafuchi Spinning .....	3,738	18	116	104	120	Tokyo Shibaura Electric .....	9,588	15	89	77	87
Dai Nippon Spinning .....	5,250	18	110	99	112	Mitsubishi Electric .....	8,100	15	110	□ 78	86
Fuji Spinning.....	3,000	18	102	96	101	Fuji Electric Mfg. ....	3,600	15	97	86	92
Nissin Cotton Spinning .....	1,560	32	199	180	197	Furukawa Electric .....	3,000	12	99	79	87
Kurashiki Spinning .....	2,600	25	115	107	119	Nippon Electric .....	2,000	15	117	101	124
Nitto Spinning .....	1,700	15	80	71	80	Transportation Equipment					
Ohmi Kensei Spinning.....	2,000	10	56	45	50	Mitsubishi Shipbuilding & Engineering .....	6,500	12	83	68	91
Japan Wool Textile .....	2,560	20	122	115	123	Mitsubishi Nippon Heavy Ind. ..	3,000	12	85	68	88
Daito Woollen Spinning .....	1,500	18	84	80	81	Mitsui Shipbuilding & Engineering .....	2,240	15	100	85	109
Chuo Textile .....	500	10	53	45	50	Mitsubishi Heavy Ind. Reorg. ..	11,200	12	106	□ 66	78
Teikoku Rayon .....	4,800	20	131	120	122	Ishikawajima Heavy Ind. ....	2,600	12	72	65	76
Toyo Rayon .....	6,000	20	229	214	243	Nissan Motor .....	4,200	15	114	83	106
Toho Rayon .....	1,500	20	99	87	93	Isuzu Motor.....	3,000	16	100	87	103
Mitsubishi Rayon .....	2,250	20	114	101	111	Precision Machinery					
Kurashiki Rayon .....	3,000	15	137	122	151	Nippon Kogaku .....	465	15	115	93	127
Asahi Chemical .....	(B) 3,675	22	398	369	395	Canon Camera.....	800	25	145	126	144
Paper & Pulp											
Kokoku Rayon .....	3,000	12	58	51	54	Other Manufacturing Industries					
Sanyo Pulp .....	2,610	18	103	88	91	Toppan Printing.....	500	18	114	105	110
Nippon Pulp Ind. ....	1,600	20	115	104	114	Nippon Musical Instrument.....	510	15	84	78	81
Kokusaku Pulp .....	1,680	20	102	89	91	Trading Companies					
Tohoku Pulp .....	2,028	20	104	90	95	Mitsui Bussan.....	1,755	20	130	103	119
Oji Paper .....	1,600	25	237	226	245	Mitsubishi Shoji .....	5,000	14	97	78	89
Honshu Paper.....	2,000	8	82	81	104	Mitsukoshi .....	2,430	26	232	204	225
Jufo Paper .....	1,120	30	278	260	283	Real Estate					
Mitsubishi Paper Mills .....	1,080	15	84	78	87	Mitsui Real Estate .....	420	15	346	312	328
Hokuetsu Paper Mills .....	900	10	61	55	59	Mitsubishi Estate .....	2,064	18	199	181	191
Chemical Industries											
Toyo Koatsu Ind. ....	3,600	15	143	128	141	Heiwa Real Estate.....	1,323	12	257	236	254
Nitto Chem. Ind. ....	2,382	8	121	99	113	Transportation & Shipping					
Showa Denko .....	4,500	15	149	132	147	Tobu Railways .....	1,600	13	120	112	116
Sumitomo Chemical .....	4,000	15	152	136	150	Tokyo El. Express Railway ..	3,000	13	106	100	101
Shin Nippon Chisso Hiryo.....	2,400	15	92	74	89	Nippon Express .....	(B) 10,800	16	171	□ 152	170
Nissan Chemical Ind. ....	2,080	23	85	66	73	Nippon Yusen.....	11,400	—	49	43	46
Nippon Soda .....	1,508	15	110	73	85	Osaka Shosen .....	7,600	—	42	38	40
Toyo Soda .....	1,200	15	79	68	72	Nitto Steamship .....	6,000	10	60	48	57
Toa Gosei Chemical Ind. ....	2,400	20	116	95	112	Mitsui Steamship .....	5,500	—	50	41	50
Electro-Chemical Ind. ....	2,244	15	125	109	125	Iino Kaiun .....	13,200	8	53	50	51
Shin-etsu Chemical Ind. ....	980	15	89	76	94	Mitsubishi Shipping .....	4,800	8	56	45	57
Mitsui Chemical Ind. ....	1,600	15	84	76	144	Warehouse & Entertainment					
Kyowa Fermentation .....	1,441	10	110	97	108	Mitsubishi Warehouse .....	600	15	101	88	100
Dainippon Celluloid .....	2,000	15	74	65	94	Shochiku Motion Picture ....	1,848	15	120	100	117
Nippon Chemical Ind. ....	800	10	92	80	135	Nikkatsu .....	3,287	5	108	101	48
Sankyo .....	780	20	140	128	123						
Kansai Paint .....	600	20	108	102	126						
Fuji Photo Film .....	2,500	18	119	104	117						
Konishiroku Photo Ind. ....	1,800	12	67	56	60						

Notes: (A) 500 yen shares, (B) 100 yen shares, others 50 yen. □ ex-new.





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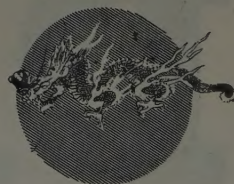
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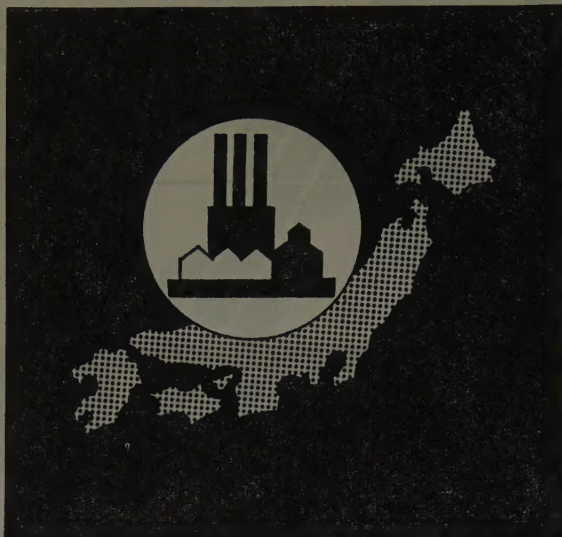
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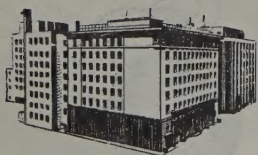
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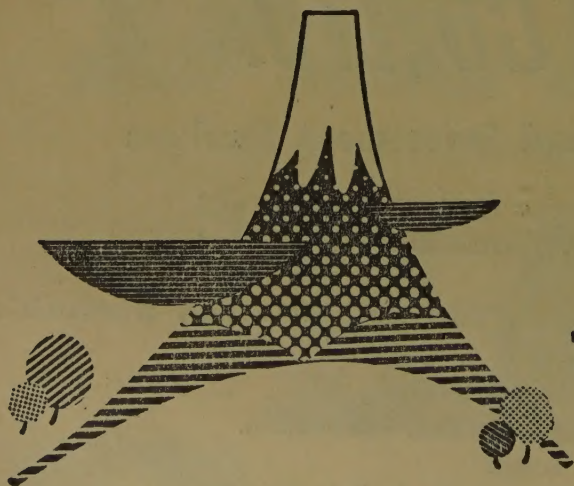
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